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West Europe Report

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15 January 1986

WEST EUROPE REPORT

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POLITICAL

FEDERAL REPUBLIC OF GERMANY

NUMBER OF HOMELESS APPROACHES MILLION

Munich SUEDEDEUTSCHE ZEITUNG in German 23/24 Nov 85 p 10

[Article by Gerd Kroencke: "Life in the Social Focal Point! There Are 800,000 Homeless in the FRG / Strange Journey to Emergency Shelters and Clothes Collection Points Show Daily Poverty Next Door"]

[Text] It's a miserable morning, some fog, some snow flurries. When the bus crosses South Bridge, leaving Duesseldorf, someone works his way to the back, serves grain spirit and cognac in plastic cups, "otherwise we won't get warm all day long." How many dozens of invitations have I had to turn down because of time conflicts; the last was a day trip to Bitburg to visit the brewery. But why should a correspondent not accept a paid trip, for once? "Press trip, social focal points" is the name of the undertaking to which the Caritas associations of North Rhine-Westphalia have invited over two dozen journalists so that they can get an idea of the poverty in the country.

On the bridge across the Rhine, one of the hosts gives a short introduction of the subject, speaks about the development and causes of homelessness, and quotes former Minister for Social Affairs, Friedhelm Farthmann, who occasionally stated "that the current cliches of the causes of homelessness--such as aggressiveness, uncleanness, alcoholism or an uneconomical attitude--do not apply to the large majority of cases." Homelessness, we are told, is more than a housing emergency and can only be overcome within the framework of a comprehensive attempt at a solution, also including further development of social policy. "How this looks in practical terms, you will learn during the course of the day."

Nobody Comes Voluntarily

On the other side of the Rhine, in Neuss, the bus stops for the first time in the city section of Erfttal. The local paper had already announced the visit ("Focal Points in Their Sights"), and the Catholic parish priest of St. Cornelius reports that the inhabitants of the high-rise settlement reacted allergically to this announcement. Nonetheless, the chairman of the Social Service of Catholic Men (SKM) is happy that the ladies and gentlemen of the press will "examine this social focal point." Only, there is little time for examining, time is pressing.

Evidently, no one moves here voluntarily. Originally, when construction of this new city sector was started 15 years ago, inexpensive living quarters were to be created for 21,000 people--also to justify the suburban train station in nearby Norf. But in fact, Erfttal has only 5,400 inhabitants, with more young people than anywhere else (almost every other person is under 21 years of age), and every fourth person is a foreigner. Among them also live 500 resettled Poles, and the priest has the impression that these new citizens "belonged to a socially very weak class in Poland" and that now, in the West, they have even greater difficulties. Unemployed and homeless people, and "families known to the authorities" have found shelter here; it is, as the SMK chairman is wont to say, "a motley population."

It is difficult for people to feel at home in the highrises; the turnover rate this year was 17 percent. If nothing is done about it, the priest says, "this sector of town is in danger of caving in." So they are trying to get the people to identify with their neighborhood, and a rifle-men's association, a sports club and a club for small gardeners were founded. The group around social worker Birgit Siempelkamp tries many little steps, from the regular "morning coffeehouse" ("...to fight boredom in the morning, to help with filling out forms...") to the Daki Cocuklar Gurubu, which is Turkish and means children's group.

"One Must Also Learn to Live"

Those and other things we only learn from hearsay, because the bus must drive on to Krefeld right away, the neighboring diocese, where over two dozen journalists are temporarily occupying the Elizabeth Bunker. We are greeted by Ernst Ludwig Giesen, director of the local association, with the words, "this is not a place where one welcomes someone;" it happens to be the furniture and clothing warehouse of the Krefeld Caritas where, in the morning, the particularly poor can pick up furniture donated by citizens who are better off. The man from Caritas mentions incidentally that "this is not the atmosphere in which church dignitaries move, it really is nothing to show off." People from shelters for the homeless look here for a wardrobe or refrigerator; refugees, once they are finally given official recognition, may find their initial furnishings here. It can happen that visitors from Poland transport a washing machine all the way home in their car, and occasionally a client resells a particularly good piece. "To be cheated," says the man from Caritas, "is the fate of those who start from love."

One floor up, along icy hallways, is the clothes collection depot: clothes no longer in fashion, or outgrown by the children, are piled on long tables and shelves. Naturally, all the people who had come this noon to select something fled immediately from the horde of casually to well dressed persons from the world of prosperity; they don't want to be inspected on top of everything else--with foresight, the organizers had pictures taken a few days earlier.

Older and really old ladies, widows of physicians or former gymnasium teachers, serve their fellow men twice a week. It is not accidental that Margarete Mertens, 67, says that she has been coming to the bunker for 4 years. The bunker is cold in summer and icy in winter. The question why she is doing this, is answered by her with a simplicity that has become rare: "Because the poor are dear to us." We, however, must quickly leave the bunker. Its ugliness is softened only by a billboard outside, a beer advertisement: "Enjoy something special, once again."

Is it a little exaggerated that one has a bad conscience over lunch--a choice of "hunter's cutlet" or shishkebab--in a middle-class restaurant? So far, we have not yet talked to someone actually affected, but would it even be fair to expose someone to an entire gang of journalists? The organizers decided that four dioceses are to be visited, and after Neuss (which is part of the archdiocese of Cologne) and Krefeld (Aachen diocese), the diocese of Essen is next. In Oberhausen, the luxury bus heads for the "Settlement for the Homeless (Municipal Emergency Shelter)" in the city sector of Osterfeld.

Here, in three large housing blocks, live predominantly families with many children, more than 30 families in all, without leases, in so-called basic apartments, some still without bathtub or shower. Rita Wollney is one of them. She has just made coffee for all the guests, and through her own self-assurance she makes the reporter confident enough to inquire about her situation. Rita Wollney has brought a dozen children into the world; the youngest is now 8 years old, the oldest 27. Up to last month, nine children still lived with her, now it is "only six or seven."

For 15 years she has been living in this focal point (she herself uses this expression). Before that, the family had spent 4 years in another settlement for the homeless. She had lost her apartment in the mid-Sixties, because the house was to be razed. "Then go looking for an apartment with one child in your belly, one on your belly, and one on your hand." She had kicked out her husband only last year. "I'd rather be without a man than one who's no good." He had been an assembly worker, then was retrained as a bricklayer, and "forgot that the family has to live." Does he look in once in a while? "I'd toss him out on his ear, believe me."

Frau Wollney has resigned herself to the fact that she will probably stay there, "I do not think it an affront for me to be living here." Sure, it is difficult to get used to it, formerly they called us vagrants, but she had adapted herself to the circumstances, "to an entirely different form of life." The children could be outside a lot, and the apartment, oh well. She does have six rooms, 95 square meters, that means "the rooms are small, one can hardly label them an apartment." She says she tries to make a comfortable home for the children. But her interest in outward appearances is necessarily limited. It had always been more important to her that "the brats" had sufficient fruit and vegetables on the table.

This down-to-earth woman, who always comes up with a saucy or thoughtful saying ("as one has to learn how to swim, one must also learn how to work; one must also learn how to live"), possibly blocks our view of the misery in a shelter for the homeless. She has managed, it seems, to secure respect for herself in her larger environment. The church parish is gradually beginning to understand that the people in the settlement are part of the community; Frau Wollny was just elected to the parish council, the first one since the existence of the settlement.

Some of the people living here are already third generation; on the other hand, it is probably not coincidence that the people who finally move away often come back for a long time (a Caritas paper states that more and more young families "establish their practical and actual place of residence in their original family, although they live outside the settlement.")

On the trip to Waltrop, kreis Recklinghausen, and therefore already part of the diocese of Muenster, we read in a clever paper that, similar to Frau Wollny, about 800,000 people live like that in the FRG, and that the number increases by about 25,000 annually. "The homeless are families and individuals who, for various reasons--mostly because of owing back rent--, have lost their previous apartment." We also learn that "social focal points" are housing areas whose structures especially favor the social disadvantages of their inhabitants. Our next hosts would have liked to show us a particularly discouraging example, but first of all, the time table was already out of kilter, and it had grown dark, anyway.

Although--in the parish hall of a Catholic church--we learn some standard facts about the situation of the homeless in the countryside, such as that the stigma attached is a mite stronger than in the big city, again one can only discuss the problem, but not talk with the people affected. Fortunately, a social worker of the association "Social Partnership" has written down what he was going to say on a visit to a settlement of huts far outside the city. These remarks are read to us over the loudspeaker system on the return trip to Duesseldorf.

The Camp of Huts in the Woods

The social worker was going to explain to us that the village of huts can only be reached by one road through the forest, it lies completely isolated in the countryside. During World War II it had served as a POW camp. In the mid-Seventies, about 40 families lived there, today it is little more than a dozen, thanks to the Workers' Initiative. The apartments, 48 square meters in size, without sanitary installations and with leaky windows, are considered shelters of the simplest kind. People are not meant to feel comfortable there; rather, the kind of shelter provided is to drive them out as fast as possible. "Homelessness is not seen as a social problem in rural areas and in small towns," the social worker had intended to say, "but rather as individual failure." There had been a family with six children in one of these tiny shelters, and the parents did not even have enough room to put up a bed for each child. It had taken

the Initiative almost 3 years to get the family out of there and provide them with housing suitable for human beings.

The bus returned that evening to Duesseldorf with a one-and-a-half hour delay. At the edge of the old town, in the beautiful restaurant "Golden Ring," three Caritas directors have meanwhile waited for us for dinner. They had had plenty of time to agree on how to react to an "emergency letter" from their umbrella organization: after the catastrophe in Colombia, calls for help had also come from other parts of the world.

Is it unfair to mention that the journalists in the "Golden Ring," after the exertions of the day, were served champagne? And that, discussing poverty, they were served an excellent three course meal? The poverty of that day was soon far away again, why should one pretend otherwise.

9917

CSO: 3620/164

POLITICAL

FEDERAL REPUBLIC OF GERMANY

OUTLINE OF RAU 1987 ELECTION STRATEGY IS CLEAR

Bonn VORWAERTS in German 5 Oct 85 p 5

[Article by Gode Japs: "Kohl Must Remain an Episode. Johannes Rau in the Role of the Chancellor's Challenger"]

[Text] It was clear to the delegates and guests at last Sunday evening's state convention of the North Rhine-Westphalian SPD in Oberhausen: It was not only the state party chairman and governor of North Rhine-Westphalia, Johannes Rau, who was speaking there, but also the man who wants to occupy the center of government in Bonn for the SPD in January 1987. The overwhelming majority which his North Rhine-Westphalian colleagues favored him with at his re-election as state party chairman was also like a vote of confidence in advance for Johannes Rau, the candidate for chancellor. Ninety-eight and one-tenth percent of all delegate votes, such a thing had not happened up to then in the SPD at the election of a "state prince."

Although Johannes Rau does not intend to turn to the public as challenger of the present federal chancellor until December in Ahlen with a statement of principle on "social and ecological renewal in peace," it was already becoming clear in Oberhausen which path he is supposed to take in achieving his election goal. That goal is clear: If Rau officially receives the mandate of his party in August of next year--and no one doubts that--"then," as Rau clearly states, "I do not intend to become only the candidate for chancellor, but also to become the chancellor, the chancellor of all citizens."

Loud applause erupts at the end of the 90-minute speech, then turns into a standing ovation. Today, for his colleagues on the Rhine and Ruhr, the man who is already carrying the hopes of the SPD for the federal parliamentary elections is named Johannes Rau.

As was the case with the North Rhine-Westphalian state legislative elections on the 12th of May, "Brother Johannes" is also counting on "clear proportions" for the federal parliamentary elections, on the "absolute majority of the votes." "We do not intend to become participants, we do not intend to become partners, rather we want political responsibility for the entire republic!" And, with a wink of the eye, Rau puts into the record a comment for those critics who are inclined to see him as the great hesitator: "How

someone can twice delay and hesitate himself to an absolute majority, that I really find quite interesting."

In the federal parliamentary elections the issue for Rau concerns a "fundamental determination of policies for the future." The issue is "whether in difficult times more or less unanimity will be needed, whether social policy is something for nice days and months, or whether social policy will become important when there are difficult times to get through."

Rau is counting on the "society of unanimity," in which the strong carry a heavier burden than the weak. He is counting on "small improvements" and "persistent progress," not on big promises: "None of us can promise that everything is going to get better overnight, that we are going to solve all problems."

Rau has assigned a key role in the SPD's election victory to the state of North Rhine-Westphalia, the "SPD's new mother country." The "indispensable prerequisite" for the election defeat of Kohl's government is for "a clearly unequivocal majority of the voters" on the Rhine and the Ruhr "to decide in favor of social democracy." Here the measuring rod is being set even higher than in the latest state legislative elections: "For the party as a whole we need an exceptional achievement in our mother country so that the potholes in other regions can be filled in."

Not only the "SPD's mother country" but also the state government in Düsseldorf, which Rau controls, is supposed to assume an important part as well in gaining the SPD majority in Bonn--as a "counterpoint" to the present government: "counterpoint and counterweight with all legal, with all legitimate means." Then Rau names the tasks of his state government which are indeed becoming the SPD's election campaign themes as well: "We oppose the dismantling of social programs, we oppose redistribution from the bottom to the top, we stand for liberality and the privileges of freedom."

It is becoming clear that Kohl's challenger is looking above all for campaign debates in the areas of labor and the environment and in the social, economic, and domestic policy fields; that is different from 1983, when the first and foremost issue was security and foreign policy.

Rau knows that his election goal will not be easy to achieve. For that reason he is appealing to SPD members to pay increasing heed to voters who are disappointed with Kohl's government but are still far from considering the SPD their political homeland. Young people and women must also be wooed by the SPD as interlocutors; technicians and engineers must not be forgotten: "There is a place for them with us. We are not the party that is afraid of technology, rather we are the party which would like to use technology for a worthier quality of life."

Before the election campaign really gets started, Rau expects the SPD to have already taken care of a succession of important tasks: the working out of a program of economic policies which makes it clear which "way into the industrial society of tomorrow" social democrats would like to go; the setting

up for the federal parliamentary elections in 1987 of a campaign program "which shall have my signature on it;" the revision of the Godesberg Program in which attention is to be given to the need for "mid- and long-term intentions and present actions to remain in such rapport that people can later achieve them."

Then, after the party convention in Nuremberg in August of 1986, there will come the most important matter: "Then on all of us will lie the burden of a federal parliamentary election, a difficult one, a winter campaign, a media campaign. Then the important thing will be for the intended epoch to become the past episode."

13137/13046
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POLITICAL

FINLAND

COMMUNIST PARTY SPLIT WORRIES OFFICIALS, SOVIETS

Split Detrimental to Country

Helsinki HELSINGIN SANOMAT in Finnish 30 Nov 85 p 18

[Article by Mikko Eronen: "Dissolution of Finnish Communist Party Against Finnish Interests"]

[Text] According to the Soviet organ PRAVDA the activity toward dissolving the Finnish Communist Party (SKP), is not in harmony with the interests of the Finnish people.

The PRAVDA news article on Friday is again a clear case of taking sides with the minority communists separated from the SKP, and an accusation against the party leadership.

As usual PRAVDA did not present this concern directly as its own stand, but dressed up in an expression according to which many noted Finnish politicians, newspapers and periodicals had noticed the aforementioned matter.

PRAVDA especially emphasized that the Social Democratic Party chairman, Prime Minister Kalevi Sorsa and the Center Party chairman, Foreign Minister Paavo Vayrynen have paid attention to this phenomenon.

Sorsa and Vayrynen have expressed the kinds of appraisals referred to by PRAVDA in interviews published by Finnish papers.

"In reality those working for dissolution have received support only from the constitutional rightist party and, what is even more curious, from the leadership of the Finnish Democratic League."

According to PRAVDA, behind the dissolution line are, as usual, certain leaders of the Party and the People's Democratic League.

The subject of this PRAVDA article was provided by the so-called Unity Committee founded last Saturday by the SKP minority and the so-called unity line.

15 January 1986

The writer of the article, Mikhail Kostikov, the Helsinki correspondent for PRAVDA, wrote that many of the communist party district organizations and hundreds of local organizations condemn the dissolution activity carried out by the SKP leaders.

Forces of Friendship Being Weakened

According to PRAVDA rightist circles consider the crumbling of the SKP unity a means of weakening those political forces that are the supporting pillars in the politics of friendship and good neighborly relationships with the Soviet Union.

According to the article the task of the unity delegation is to focus the forces of the SKP organs, members, and supporters in the struggle against dissolution and the slackening of party principles.

PRAVDA mentioned the following, among others, as belonging among the chairmen of the organization: Taisto Sinisalo, Jouko Kajanoja, Esko-Juhani Tennila, Kai-ja Sinerva and Eino Kaajakari.

During the past fall the party organ, PRAVDA, has written at least three times about the dissolution of the SKP, but only in news articles. The fundamental position of the CPSU toward SKP's dissolution has not been leaked to the public. All the SKP articles of the PRAVDA, the official party organ and the most important paper of the Soviet Union, have supported the minority separated from the party. Another common feature in them has been that no accurate view of the SKP's political and parliamentary power has been available. The articles give the feeling that communists are a forward rolling mass movement in Finnish political life.

USSR 'Officially' Worried

Helsinki HELSINGIN SANOMAT in Finnish 6 Dec 85 p 21

[Article: "Soviet Union Officially Presents Its Concern Over SKP's Dissolution"]

[Text] The Soviet Union Thursday officially expressed its concern over the fact that the forces that supported friendship with the Soviet Union were weakening in Finland.

The Soviet Deputy Minister of Justice, Nikola Osetrov, said at the friendship festival, traditionally arranged before the Finnish Independence Day, that the Soviet Union "shares with the Finnish democratic and political circles the concern over the fact that there are attempts to weaken and damage the unity of those Finnish democratic forces which form the foundation for the foreign policy, built on the friendship with the Soviet Union.

Osetrov had not written the speech himself, but it apparently originated from the Scandinavian department of the Soviet Foreign Ministry, or perhaps from the Central Committee.

The democratic forces, of which Osetrov speaks, are the Finnish Communist Party. The weakening and damaging of the forces again points to the SKP majority way of handling the minority.

The formulation of this part of Osetrov's speech indicates that the Soviets have now drawn a sharp boundary between the Finnish parties and the Finnish government leadership. The Finnish foreign policy leadership was not even indirectly held responsible for the internal condition of the SKP.

In its other parts Osetrov's speech was quite friendly, and followed the traditional line, in which all the good facets of our relationship were emphasized.

Transportation Minister Matti Luttinen, who leads the Finnish friendship month delegation, also spoke on Thursday at the Moscow Independence Day celebration. Luttinen touched primarily on the economic cooperation between Finland and the Soviet Union in his speech.

Aalto Condemns New Party

Helsinki HELSINGIN SANOMAT in Finnish 2 Dec 85 p 13

[Article: "SKP Leadership Condemns Founders of New Party"]

[Text] The chairman of the SKP, Arvo Aalto, thinks that the committee created a week ago by the party minority and the so-called Unity Forces signifies preparations for the creation of a new party.

After the meeting of the SKP's Central Committee on Sunday Aalto estimated that the party leadership now has to tighten its schedule, within which the original organizations functioning in the minority districts have to announce whether they will stay within the SKP. A decision will be made about rear defences in the SKP political committee meeting in the near future.

The creation of the Kajanoja" group's and the minority group's Unity Committee means, according to Aalto, that the separatist activities of the former party chairman, Jouko Kajanoja, "have joined the activities of the TIEDONANTAJA movement."

The General Secretary of the SKP, Esko Vanionpaa, said that no party can tolerate within itself the creators of a new party. He characterized the leadership of the Unity Committee as clearly a "shadow central committee."

The meeting of the Central Committee did not actually consider organizational questions. According to Aalto and Vanionpaa the consideration of organizational questions during this phase does not require treatment by the Central Committee -- the treatment by the political committee is sufficient for most decisions on the basis of the stands taken at the meetings.

The Central Committee now focused on the position of the functionaries as well as on timely political questions, and approved statements about a crisis

program in the forest industry, the poverty program, and the South African situation, and about the recent meetings of the superpowers at Geneva.

The Central Committee also made decisions about some personnel matters and, among others, chose Heikki Lehtinen as the new chief editor of the KOMMUNISTI. Similarly three new party organizations were approved for membership in the SKP.

The solution concerning the game rules of the labor market is temporary according to representative Timo Laaksonen. Laaksonen presented a political review in the SKP Central Committee.

Laaksonen supported the united appearance of the labor movement and thought that the possible dissolution of the government in the fight over working conditions would not necessarily be a loss from the point of view of laborers and clerical personnel.

On the contrary, according to Laaksonen, the fall of the government would create a situation in which the labor movement could, by appearing united, marshal its forces and squeeze even qualitative reforms at the workplace from the employers.

Laaksonen also said about the game rules solution that it did not reduce the responsibility of the Social Democratic union leadership or Prime Minister Kalevi Sora over a "poor agreement." Laaksonen believes that during the next spring round of discussions over the work conditions the game rules matter will again surface.

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POLITICAL

CITIZENS' VIEWS ON U.S., USSR POLLED

Paris LE MONDE in French 19 Nov 85 p 4

[Article by J.A.: "A SOFRES-LE MONDE-Europe 1 Poll: The USSR's Image Continues to Decline in France: Public Opinion Skeptical About Soviet's Readiness to Reform"]

[Text] Poll conducted for LE MONDE and Europe 1 by SOFRES [French Opinion Polling Company] from 9 to 14 November 1984 with a national sample consisting of 1,000 persons representative of the entire French population aged 18 and over.

1. What do you think of the United States...

Question: On the whole, is your opinion of the policy of the United States in the world very good, fairly good, fairly poor or very poor?

<u>Opinion</u>	<u>Repeat Inquiry</u> <u>Province Press/</u> <u>SOFRES</u> <u>November 1982</u>	<u>Repeat Inquiry</u> <u>LE MONDE</u> <u>Antenne 2/</u> <u>SOFRES</u> <u>October 1984</u>	<u>November</u> <u>1984</u>
Very good	2	5	5
Fairly good	<u>28</u> 30	<u>35</u> 40	35
Fairly poor	38	29	38
Very poor	<u>13</u> 51	<u>9</u> 38	27
No opinion	<u>19</u>	<u>22</u>	30
	100	100	100

[Figures in all tables represent percentage of persons polled]

2. ...and of the Soviet Union?

Question: What is your opinion of the policy of the Soviet Union in the world?

Very good	-
Fairly good	<u>9</u>
	9
Fairly poor	36
Very poor	<u>23</u>
	59
No opinion	<u>32</u>
	100

3. Which is the most powerful?

Question: In your opinion, which of the Western countries (the United States and Western Europe) or the Eastern bloc countries (the Soviet Union and the Eastern countries) is the most powerful militarily at present?

<u>Opinion</u>	<u>Repeat Inquiry</u> <u>FIGARO/SOFRES</u> <u>October 1980</u>	<u>Repeat Inquiry</u> <u>FIGARO/SOFRES</u> <u>November 1983</u>	<u>November</u> <u>1985</u>
Western countries	11	16	21
Eastern countries	41	45	36
Equally powerful	31	27	29
No opinion	<u>17</u>	<u>12</u>	<u>14</u>
	100	100	100

4. The desire for peace

Question: More precisely, which country--the United States or the Soviet Union--seems to you...

<u>Attitude Toward Peace</u>	<u>U.S.</u>	<u>USSR</u>	<u>No Difference</u>	<u>No Opinion</u>
The most sincerely dedicated to peace in the world? (100 percent)	50	6	28	16
The most sincerely desirous of limiting the arms race? (100 percent)	36	9	33	22

5. The balance sheets of the two great powers

Question: If you compare the balance sheet of the United States with the balance sheet of the Soviet Union, which is ahead, in your opinion, on the following points?

<u>Issues</u>	<u>100 Percent</u>	<u>U.S.</u>	<u>USSR</u>	<u>No Difference</u>	<u>No Opinion</u>
Economic development	-	74	6	4	16
Workers' rights	-	67	9	5	19
Respect for public and individual freedom	-	80	3	4	13
Fight against racism	-	38	10	18	34
Reducing social inequities	-	40	21	12	27
Improving standard of living	-	72	5	6	17
Access to health for all	-	45	16	10	29
Aid to Third World countries	-	60	2	10	28

6. Star Wars

Question: Mr Reagan has proposed that the United States build a defense system in space for interception of missiles. Some say this is a good idea because it would strengthen the protection against a Soviet attack. Others say it is a bad idea because it is going to encourage the arms race.

Do you yourself think the United States should or should not build a defense system in space?

<u>Opinion</u>	<u>Comparison with a US (Roper Institute) poll 1985</u>	<u>November 1985</u>
The United States should do it	43	39
The United States should not do it	35	39
No opinion	22	22
	<u>100</u>	<u>100</u>

7. To talk about human rights?

Question: Concerning meetings between Western leaders and Soviet leaders, we have received the following three opinions. With which of these opinions do you feel the most agreement?

Soviet leaders should not be met with, because of human rights violations in the East	4
Soviet leaders should be met with, but on the condition that the human rights question be raised with them	71
Soviet leaders should be met with, without raising the human rights question because no one should interfere in their affairs	14
No opinion	<u>11</u>
	<u>100</u>

8. What to expect from the summit?

Question: Do you think the coming meeting between Mr Gorbachev and Mr Reagan...

Will bring about a marked improvement in East-West relations	25
Nothing much will be changed	66
No opinion	9
	<u>100</u>

Will make agreement possible on arms-race limitation	29
Will not make it possible	51
No opinion	20
	<u>100</u>

Will bring about improvement in the human rights situation in the Soviet Union	18
Nothing much will be changed	70
No opinion	12
	<u>100</u>

9. France's position

Question: Do you yourself want France to be positioned

Preferably on the United States' side	36
Preferably on the Soviet Union's side	1
On neither side	57
No opinion	6
	<u>100</u>

Despite Mr Gorbachev's visit last month, the Soviet Union's image continues to decline in France. This is the main lesson to be drawn from the poll carried out by SOFRES for LE MONDE and Europe 1. The figures, clear as they are, hardly lend themselves to discussion: while 59 percent of the French people have a "fairly poor or very poor" image of the world policy of the USSR, only 9 percent have a "fairly good" opinion of it.

The SOFRES pollsters, who worked on a 1,000-person sample, encountered no one who has a "very good" opinion of the USSR on this point. At the same time, the United States' "rating" is rising: whereas a year ago SOFRES detected 40 percent of the French people having a "very good and fairly good" opinion of the United States' world policy, today that proportion climbs to 43 percent. The rate of those having a negative opinion of American diplomacy regresses at the same time from 38 percent to 27 percent.

A Majority Favorable to East-West Summits

What is striking in the poll whose results we are publishing today, is that it reveals a negative image of the Soviet Union in all spheres: 36 percent of the people questioned believe, for example, that the USSR and the Eastern countries

are militarily more powerful than the Western countries (only 21 percent have the opposite opinion. What is worse, if the word may be used: 50 percent of the French people think the United States is "more sincerely dedicated to peace in the world" than the USSR (only 6 percent are of the opposite opinion).

A similar disparity appears when social problems are approached: 74 percent of the French people think the United States is ahead of the USSR when it comes to economic development (6 percent are of the opposite opinion); 67 percent believe workers' rights are better protected in Washington than in Moscow (against 9 percent), etc. There are three sectors to be pointed out in this area: the fight against racism (38 percent place the United States ahead, while 10 percent award the palm to the USSR); reduction of social inequities (40 percent for the United States, 21 percent for the USSR); access to health for all (45 percent pro-American, 16 percent pro-Soviet).

All of this certainly explains why 43 percent of the French today are in favor of the United States putting in place a space defense system (against 39 percent a year ago), while only 35 percent are opposed to it. A huge majority favors East-West summits, provided the human rights question is raised there (71 percent), but no one expects great results from those meetings.

Perhaps the myth of Gaullian independence explains this doubt, which is so very French: although 36 percent of the French want their country to be "positioned preferably on the side of the United States" and only 1 percent want it to be on the USSR side, 57 percent want it to lean neither toward one side nor the other.

The breakdown of the poll--by political and professional affiliation--makes it possible to establish that it is the RPR partisans who are the most in favor of the American world policy (71 percent against 64 percent for the UDF, 29 percent for the PS and 13 percent (!) for the PCF). Another surprise: although 38 percent of those who claim to belong to the Communist Party have a good opinion of Soviet policy, 40 percent consider it "fairly poor or very poor".

More bad news for Mr Marchais: although 25 percent of the Communist Party's sympathizers think that public and individual freedoms are respected more in the USSR, 31 percent believe this is true in the United States. Among workers, finally, few have any illusions about the condition of their Soviet brothers: only 10 percent (against 65 percent) believe those rights are better preserved in the USSR than in the United States. In the same category, 8 percent believe that an improved standard of living is better guaranteed in the East than across the Atlantic (69 percent) and 10 percent consider the Soviet health care system to be better in Moscow than in Washington (53 percent) [as published].

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POLITICAL

FRANCE

REACTIONS TO U.S. FUNDING OF FORCE OUVRIERE/UNI

Paris LIBERATION in French 28 Nov 85 p 9

[Article by Rene-Pierre Boullu and Annette Levy-Willard: "The CGT: Revelations Concerning the American Money of the Force Ouvriere Are an Anti-CGT Operation"]

[Text] The reactions, in France as well as the US, to our investigation into the subsidies contributed by the AFL-CIO to the Force Ouvriere [Workers Force] (FO) and the UNI [Union Nationale Interuniversitaire; National Inter-University Union] are tantamount to confirmations. But the use of these monies remains mysterious. The FO pleads international solidarity, and the CGT [General Confederation of Labor] flies to the aid of Bergeron.

The evidence brought forward by LIBERATION, proving that American public monies were secretly making their way into the tills of certain French organizations, chiefly the FO and the UNI, received a whole series of confirmations yesterday. Better yet: the president of the "National Foundation for Democracy" (the American NED), Carl Gersham, in revealing the pedigree of the UNI, seems to have been surprised that columnist Irving Brown has made it the beneficiary of his generosity. He announced to the United States that if there were really a relationship between the SAC [Civic Action Service] and the UNI, he planned to conduct an investigation into the matter. The AFL-CIO, for its part, challenges the figures for the subsidies which Carl Gersham had confirmed to us (see yesterday's LIBERATION), but states that it does not know whether the totals predicted for this year have already been distributed.

The US Embassy in Paris reacted through a communique confirming that the NED, "a private organization, non-profitable and not associated with the government, does make use of monies allocated by the American Congress." With respect to the goals of this foundation, remarks the embassy, they are "everywhere in the world to aid and abet the efforts of peoples desirous of establishing democratic institutions." What democratic institutions is there a question of establishing in France? The embassy replies all the less satisfactorily to this question in that it tries to hide behind the private character of the NED, "twelve of whose fifteen executive board members come from the private sector; among those who belong to the public sector, two are members of Congress and only one is attached to the executive branch," notes the embassy. Let us re-

call that this one is a state department representative. Moreover, the executive board does not number 15 but in fact 17, since Henry Kissinger and former Vice-President Mondale are also members of this board.

What the American diplomats are putting forward is that, although public funds are allocated to the NED--and these, of course, are controlled by Congress--"the organization gives no evidence of clandestine or secret activity," And this is true for the NED, from the American point of view, but not for the Free Trade Union Institute (FTUI), by means of which most of the capital is forwarded. It is at this juncture that the confidential memo enters the picture, the memo requesting that the subsidies contributed to certain countries, including France, be kept secret. By reason of the--somewhat out-of-date--traditions of French anti-Americanism, by reason of the discrete forwarding of certain of this capital toward the East, or by reason of their suspicious use within France itself? These are the questions being asked, and asked first of all of the United States, not without some anxiety, in particular because the least suspicion that public funds may have been used to finance partisan political activities is viewed most unfavorably in an allied country, whatever may be the orientation of these political organizations.

Andre Bergeron also confirmed to all and sundry, for the first time in the more than 25 years that this question has regularly been brought up, that he had been receiving financial support from the American trade unions. The fact that these monies are public capital contributed in the name of the Foundation for Democracy--as he had already informed us in the course of our investigation--is not his problem. As for their being used no longer secretly but openly--"You know me," he confided to the televiewers with a big smile--Andre Bergeron stated that it was a question of financial aid to those free trade union members who have been exiled from totalitarian nations or countries under dictatorship, an aid "which would be all to the honor of the FO," as we mentioned the day before yesterday, even if in this case Bergeron remains only an intermediary between the dissidents of the East and the United States.

In fact, "FO is proud to participate in actions of this sort, and it will continue to do so," announced the confederated bureau of the FO yesterday. But no mention was made of the disturbing closeness between the FO and the UNI in this affair, nor indeed were any particulars revealed about the amounts of money or their respective destinations. Yesterday, the Solidarnosc representative declared on Channel 2 that this organization receives 80,000 francs annually from the FO. We are far from the 8,300,000 francs that were actually received, but there are doubtless many other "solidarities" in the world as far as the FO is concerned.

The FO considers nevertheless that the revelation of these operations of which it "is proud" is part of a "campaign aimed at confederation," that it is a question of betraying the image of the FO," and even, said the confederated bureau, of "one aspect of the on-going propaganda of international communism, which has set as its goal the destruction of free trade unionism."

Strange automatisms of the official line of the cold war. The communists have flown to the aid of the FO in this matter, and this is only to be expected. The revelations of LIBERATION were not responsible, Ronald Leroy, spokesman for the

PC [French Communist Party], explained yesterday, since "This has been known since 1947." In fact the publication of these American documents, according to him, was at throwing the finances of all trade union and political organizations into discredit, whereas there is at least one political party in France, and only one, to my knowledge, whose finances are quite clear." Guess which one.

Still clearer were the remarks of CGT treasurer Ernest Deiss, speaking solemnly before the congress of his organization: the information published by LIBERATION on the financial situation of the FO and the UNI represents, according to him, "a desire to destabilize trade unionism, which is struggling, and particularly the CGT." This was bound to be brought up.

Two "explanations" for this very "twisted" reaction from the CGT: first, by reason of a kind of solidarity "among treasurers" of the trade union organizations, Ernest Deiss feels that this matter allows for "the rebirth of old phantasms" concerning the money that the unions allegedly take in "from unmentionable sources." "Would we have organized the 'CGT Emergency' contribution campaign if we were profiting from such funds?" he argued. The squeaking wheel gets the grease; and in this instance the squeak is loudest at the site of the painful problem of financing union activities in France.

Officially, the representative union headquarters take care of up to 80 percent of their own operations, by assessing their (too few) members or at least their (still fewer) dues-paying members. The other 20 percent or so comes from various government subsidies: in 1985, 80 million was paid out to the CGT, the CFDT [French Democratic Confederation of Labor], the FO, the CFTC [French Confederation of Christian Workers], the CGC [General Confederation of Managerial Personnel] and the FEN [National Education Federation], according to the ministry of labor. After 1984, according to the same source, out of 46.5 million received, the dues-paying members of the FO received 39.5 million--which would imply that the American subsidies represent a larger percentage than what we put forward in *LIBERATION* (beginning with a budget estimated at 62 million).

The other explanation for the support given the FO by the CGT in this matter is of a tactical nature. Each group sees the justness of its own cause. For the FEN, for example, "the positions of both organizations (FO and UNI) on the sensitive school issue force one to make inquiries." (concerning an American plot against universalism? --editor's note). For the CGT, "Is this a matter of pure chance if LIBERATION reveals these documents. --editor's note) at the very time when the battle against flexibility being waged by the CGT finds an echo even within the ranks of the FO?"

There indeed is a "flexible" interpretation of the work of the press.

Communiqué Regarding FO Reactions

The confederated Bureau of Workers Force (FO) reacted yesterday in this communiqué, the main arguments of which were summed up in the statements of Andre Bergeron.

"As a consequence of the campaign aimed at confederation, the FO office recalls that since 1947--and on numerous occasions--the organization has taken actions

aimed at defending the great principles of democracy and freedom, in consensus with the labor union movement in the United States and the international confederation of free trade unions.

"It is in this spirit that the International Center for Free Trade Unions was created--in exile and sponsored by the FO. It experienced periods of intense activity during the events that happened in East Berlin, Poznan and Czechoslovakia, and at the time of the Hungarian rebellion of 1956. The FO took full charge of financial aid from the American trade unions.

"During the recent period, everyone knows what happened in Poland, Afghanistan, Chile, Latin America, Southeast Asia and even at times in certain African nations. Several years ago, the confederation acted in the same way during the reigns of Franco in Spain and Salazar in Portugal.

"Traditionally France welcomes many militants who have been forced to leave their countries. They find themselves in Paris without work, without housing and of course without resources.

"In the spirit and with the help of the trade union movement in the United States, FO is proud to have been of assistance to those concerned, both morally and financially, both individually and collectively, notably by contributing to the financing of certain publications.

"The FO confederation is proud to participate in activities of this type. It will continue without concerning itself with 'what others will say' or comments of all sorts, in fact, intended only to betray the image of the FO. This is one aspect of the on-going propaganda of international communism, which has set as its goal the destruction of free trade unionism."

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POLITICAL

FRANCE

DGSE OFFICIAL DISCUSSES ACTIVITIES, EFFECT OF PCF MINISTERS

Paris L'EVENEMENT DU JEUDI in French 12-18 Sep 85 pp 24-27

[Interview with an anonymous official of the DGSE [General Directorate for External Security], date and place not specified]

[Text] The Greenpeace affair was no laughing matter. The facts have exploded the myth. We learn that the head of the intelligence agency was abducted from his Paris office in 1982 and set free in the middle of the Mediterranean. We discover that the Operations Division has a praetorian guard, unknown even to the "big boss," which is prepared to carry out all manner of dirty tricks. We see the very well-known head of a French weekly getting ready to exploit the emergence of Communist officials from the precincts of the "Piscine" [the headquarters of the DGSE]. We follow two photographers from that same newspaper who will wait in vain for that historic shot that could destabilize the French Government. It is disclosed that governmental authorities are opposed to allowing our intelligence agency to neutralize terrorist targets in Europe. One chuckles over the activities of the "black berets" in Corsica who sabotage an airplane chartered for Chad by the Ministry of Cooperation. We find these same men, with faces masked, preaching a strange sermon in the subterranean depths of Fort Noisy-le-Sec. The clandestine services are beginning to talk. An official of the DGSE--one who is close to the Operations Division, who wants to defend the honor of his comrades and testify to their effectiveness--has agreed to lift the veil covering the activities of the men in the shadows. What he has told EVENEMENT DU JEUDI is absolutely staggering! In the light of these disclosures, it is difficult to accept the comical stories about the DGSE as "gospel."

[Question] The French clandestine services have not always been laughable...For example, in the time of Alexandre de Marenches, who was in charge for nearly 12 years (1969 to 1981). How did it change?

[Answer] "Alexandre," as he was called, was quite the "big shot," and he was very well connected. But in his work he was a loner. And his people followed his example.

[Question] This attitude surely had its drawbacks...

[Answer] Contrary to the legend, our secret services were in a sort of "ethargic state. We had many defections in the Eastern countries.

[Question] And the Operations Division?

[Answer] It worked fairly well, but it was hardly outstanding. Some operations, like Barracuda, the overthrow of Bokassa, were much too conspicuous. The attack on Radio Corsica International, toward the end of Giscard's term, was not very clever...

[Question] And in May 1981? How did things go after the change of government?

[Answer] Let us say that the portraits of Giscard stayed on the wall a little longer than necessary at Fort Noisy-le-Sec, the headquarters of the Operations Division, and at Mortier, the general headquarters of the "Piscine."

[Question] Why?

[Answer] You know, a government with Communist ministers--for us it was earthshaking, the end of the world! Especially since the Socialists themselves had lit into us, seizing on the flimsiest tales about us as evidence that we were unscrupulous adventurers.

[Question] And eventually the Communist ministers started causing you real problems?

[Answer] Listen, it was a close brush with catastrophe. Consider that one fine day we learn that the General Secretariat of National Defense (SGDN), on the pretext of familiarizing the chiefs of staff of the new cabinet ministers with security problems, had decided to have all of them visit the DGSE. Naturally, we did not take terribly well to this kind of "open door to the Piscine." Why not ask the secret agents to wear a badge? But the SGDN secretary general, General Rhenter, insisted. High military officials put in their two cents. The list of invitees was requested, and, lo and behold!--it was discovered that the four chiefs of staff of the Communist cabinet members were part of the group! Communists visiting the general headquarters of the French secret services? You can see what a blow it was.

A thing like that could get you shunned by all the other Western services. We barely stopped it in time.

[Question] And that did not have any repercussions?

[Answer] Well, now, there was a real mess. It seems that one of our people had told the whole story to the head of the editorial department at L'EXPRESS, a good friend of the "Piscine," and that several photographers from that paper had cleverly stationed themselves where they could take the historic photo of Communist "agents" inside the barracks of Mortier. I do not know if it is true, or who had cooked up all that business! But I know that a colonel was fired for having connived with the press. He denied it all!

[Question] Is it true that in February 1981 certain officials in the Operations Division called for a scorched earth policy to be implemented if the Left came to power?

[Answer] That is perhaps a slight exaggeration. But all the same, it was not a happy prospect. Besides, when Pierre Marion came on board, de Marenches gave a rather cool welcoming speech. The other replied with a speech that tried for the grand Napoleonic manner but just gave everyone a good laugh. First of all, he was a civilian. And among us, civilians are, well....Then he said he wanted to meet with us all in the "meeting hall." You should have seen his face when we told him there was no meeting hall, and that if people had something to discuss they went into the refectory. You know, from the outside one has a somewhat romanticized image of the "Piscine." One day, Marion was absolutely set on using the operations room to coordinate an operation being carried out in Africa. And he threw a fit because it turned out that it still lacked phone hookups. I admit all this may seem bizarre, but after all the SDECE [Foreign Intelligence and Counterintelligence Service] is not the Rosny-sous-Bois center.

[Question] And how did things ultimately work out with that civilian sent to you by a Socialist/Communist government?

[Answer] Actually, it has not been all that bad! He was the one who stopped the business about the four Communist office directors. We found that rather reassuring. Moreover, for several years intelligence work proper had languished somewhat. The watchword was "don't make waves." It might surprise you, but by de Marenches' time we hardly had any agents in the Eastern countries. Imagine, not even in Moscow! And when the events in Poland erupted, we had to send people in--and they had to cross the border on foot--to get a firsthand assessment of the public mood. And they barely avoided discovery. Well, Marion decided to re-open some stations in the Eastern countries, and that also made a good impression. One has to admit that even though he came in as a civilian he took charge from the start, and he gave it everything he had. When he was invited to the secret offices of the Operations Division in the subterranean depths of Fort Noisy-le-Sec, all the guys were there, covered in black from head to toe and faces

masked--just like a Ku Klux Klan meeting. Then they went over some of the traditional "psy-ops" techniques used in commando operations. Marion came out flabbergasted. After that, there were not so many problems. We got a little irritated about his boat that he was always fooling with, and he was also a rather nervous individual; but frankly, for 2 years, there was not a single scandal...That is rather rare. And also, there were some administrative improvements.

[Question] Really, no one is so easily impressed by the military as civilians...

[Answer] You know, when one imagines one has fallen into a nest of somewhat hapless secret agents, and is then confronted with the reality, one quickly changes one's opinions. Listen: one day the guys in Operations told Pierre Marion that despite his bodyguards and his staff they could kidnap him in downtown Paris--leaving him missing without a trace and no one the wiser--and whisk him off to the Mediterranean. In the jargon of the trade this is called "exfiltration." He did not believe them. Well, they did it! Actually, it is a little game they are accustomed to playing; but he knew nothing about it. So one day they succeeded in getting him out of his office, they disguised him so no one would recognize him, they put a cowl over his head, they took him in the trunk of a car to a spot 54 kilometers from Paris. From there a helicopter took Pierre Marion to Avignon. Then, at 0330 hours a car took him to the little port of l'Estaque near Marseille. They put him on a fishing boat, transferred him to another one, and there he was, in the middle of the Mediterranean Sea, with absolutely no one any the wiser. Well, believe me, that made one tremendous impression!

[Question] But it takes a lot of people to do that! Is it true, as Jacques Isnard said in LE MONDE, that the SDECE (now the DGSE) is supported by a sort of "old boy network" of ex-agents, a kind of ready reserve?

[Answer] That is quite correct. It is a very compartmented reserve, formed of retirees from the services, under the direction of a person whose whole job is to manage them. Ultimately they are responsible to the chief of the Operations Division. Without those underground reserves, many operations would be difficult to carry out. They are highly motivated individuals who are nostalgic for the service life but who have rather extreme political tendencies. Many of them were victims of Gaullist policy in Algeria, and in their view there is not much to choose between Marchais, Mitterrand, Giscard and de Gaulle.

[Question] Are these the kind of people, for example, who in 1982 at the Figari base in Corsica put together the sabotage of the airplane that was carrying arms for Chad?

[Answer] No, that was the Operations Division itself. It was actually a very clean operation, but we never speak of it. What actually happened? It was learned that an airplane had been chartered with the help of a private company, SFAIR, in order to take arms to Chad, which we ourselves could

have done...Now it turned out that this very company, which was doing work for the Ministry of Cooperation, was doing training flights for Libyan pilots in between two missions to Chad. And those very airplanes "inadvertently" overflowed our base at Aspretto where (as everyone knows by now) our frogmen were in training. So, what did we do? We simply decided to stop the flight from taking off. We did what was necessary to accomplish that, and the company in question got the message. No one was hurt!

[Question] In regard to that base at Aspretto, do you think that the commando teams in training there could have been acting in disobedience to their superiors when they organized the sabotage of the "Rainbow Warrior"?

[Answer] Not for a moment. The fellows who train at Aspretto are very conscientious about their responsibilities and their missions. They are incapable of going around their superiors or disobeying orders. Indeed, they are an outstanding group of professionals--good sports, superbly organized, trained in navigation, parachuting into the sea, the surreptitious setting of bombs--and they work in coordination with the navy. What one can say is that they are not intellectuals, and in fact some of them are a bit dimwitted. So when one tells them to "anticipate" or to "think about" something one might be asking for surprises.

[Question] And politically?

[Answer] Listen, people must stop imagining that all the officers of the DGSE are embryonic "fascists." These are people who wish to serve their country, and they have shown they would continue to do that regardless of who governs the country. In general, they stay out of politics. To the extent that they have opinions, they are more diverse than you think. Go ask Marion, since at least two of the "Ouvea" people were involved in that damned boat business!

[Question] But in the last analysis, after the Ben Barka affair, the Greenpeace affair, and various others...one must ask whether our secret agents have been effective in working for our interests...

[Answer] Why? Has the CIA been 100 percent successful? As I told you just now, the problem with the secret services is that, by definition, whenever an operation works no one talks about it. And in fact that is the proof that it worked. There have been successful operations. You yourself alluded to them in EVENEMENT DU JEUDI. For example, there was that business in Central Africa; we learned that a military coup against President Kolingba was being hatched, and indeed the French military attache in that country, Colonel Faure, was more or less a part of it. We managed to get all the details of the conspiracy. And during the night of the putsch itself, we

in Paris succeeded (with the help of our man on the scene) in restoring Kolingba. Radio House was occupied, the president was gotten to safety, and the plotters were arrested. Pierre Mauroy said that Kolingba was still in power; oh, yes, he was. But it was a good piece of work, was it not? In India, before Hugues de l'Estolle arrived in New Delhi with French proposals for the sale of the Mirage 2000, we succeeded in intercepting all the Soviet counterproposals and turned them over to him right on the ramp of his plane. That was a bit helpful, was it not? We also sent a big team to Lebanon, about 20 agents, including some from Operations, who succeeded in locating the headquarters of the terrorist commando teams that were operating in France.

[Question] So what happened after they located it?

[Answer] What followed was not our responsibility. In 1982, as you know, orders were received to intensify intelligence collection against terrorists. We got rather spectacular results. First of all, we succeeded in identifying the "sleeper" agents who were receiving arms through diplomatic channels. We also got a fix on the individuals who were organizing crossings into Switzerland, Italy, and Spain, as well as Belgium. We were able to identify most of them. Lastly, we located several buildings used as "PC's" [expansion unknown] by commando teams in the Abou Nidal group.

[Question] And what was done with this information?

[Answer] Once again, it was not up to us to decide what to do with such information. In all three cases, we proposed prompt violent action against the targets that had been spotted. The political authorities refused. That is their responsibility. They preferred to negotiate. There were meetings with Syrians including Rifaat El Hassad, who from all the evidence was in charge of the Abou Nidal group. There were also contacts with Arafat and his security services. I was and still am completely against this weak and ambivalent way of fighting against terrorism, but I must admit it got results. Middle East terrorists have had to move their activities out of France. The terrorists followed Arafat's man to Lisbon, instead of Paris.

[Question] After 1981, was there a purge in the clandestine services?

[Answer] One could not call it that. Some 25 people were fired, but I do not know if it was for political reasons.

[Question] Pierre Marion claims that they were incompetent and alcoholics...

[Answer] No, they were not all incompetent, but it is true that some were real alcoholics.

[Question] Are there incompetents in the agency?

[Answer] There are people like that everywhere. We had an agent in Nice who unfortunately generated a lot of unfavorable talk. He was incredibly incompetent!

[Question] So there has been no "socialization" of the clandestine services?

[Answer] I must say it would be difficult. I will give you an example: in 1982, the fellow in charge of weekly summaries--consisting of about 30 pages, they were sent every Tuesday evening directly to the president--was Arsene Lux, who is now on the staff of Jacques Chirac.

[Question] When someone gives specific instructions to Operations, is an explicit, written order given?

[Answer] Never.

[Question] Can such operations be put together without asking headquarters?

[Answer] Very difficult.

[Question] Is Louis-Paul Dillais, alias "Dubast," who coordinated the whole Greenpeace operation from New Caledonia, a man who could have taken initiatives that did not conform to his instructions?

[Answer] Absolutely not. He is very strict about discipline. And moreover, he is very intelligent and very astute. I would add that if someone is going to try something fishy, they would not talk to anyone at his level...

[Question] Is there good cooperation between the navy and the clandestine services?

[Answer] Definitely. On several occasions there were exercises in the Mediterranean that involved participation of a submarine from the Toulon base as well as DGSE's fast patrol boats.

[Question] What are the special areas of interest of Admiral Lacoste, the current head of the DGSE?

[Answer] Afghanistan, including aid to the resistance. And Cambodia, where we continue to help the "little prince."

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POLITICAL

FRANCE

MARXIST BACKGROUND, ASSOCIATES OF PIERRE JOXE DESCRIBED

Paris LE FIGARO MAGAZINE in French 16 Nov 85 pp 156-159

[Article by Jean-Louis Remilleux: "The Joxe Saga: More East than Left"]

[Text] A curious, upper-class family, fascinated by Marxism. The father, a moderate compared to his two sons. The younger, Pierre, a minister of the interior who is more red than pink, and Alain, the elder, an avowed leftist and a militant in all the subversive movements.

The latest victory of the Joxe clan? He is a man cut of the same cloth as the Joxe men: Andre Laignel, he of the "juridically wrong because politically in the minority," is leading the electoral campaign in 1986 for the PS [Socialist Party]. He is its flag-bearer. Associated with Pierre Joxe for many years, he is preparing the ground for ultra-socialism, for anti-cohabitation; in short, he is to transform the PS once more into an opposition party.

Why choose Laignel? Why choose unpopularity unless it is to respect that line, more Marxist than socialist, defended by the friends of the minister of the interior, a man whose family, contacts and actual opinions disturb even those Place Beauvau agents termed "secret," those services that had already, as early as 1953, taken an interest in the case of Louis Joxe, the father, the French ambassador to Moscow, after an affair which had brought his independence into question? In 1953, Pierre Joxe was 19 years old. He used to join his father in Moscow frequently.

While still a student in Paris, Pierre was a UNEF [National Union of French Students] militant, and in the "anti-fascist and anti-colonialist" manifestations he never failed to designate himself as a fervent disciple of Marx. He confided these sentiments to Henri Marquet, moreover, in the JOURS DE FRANCE of 10 February 1975:

"I believe that the analysis of Marx remains true and gives a guide for action; for example, in transforming the relationships within business enterprises. But Marx never defined what a socialist France might turn out to be. Marxism is the opposite of the unbending philosophy it is often presented as in France, where it is badly understood because it is infrequently studied."

Clear and brilliant Pierre Joxe! As the great advocate of nationalization, which he calls "the extension of public service," he hauled Pierre Mauroy over the coals in 1982, "because there is some misfiring in the ignition." Translation: "The reforms are not going fast enough." He imposed his doctrinary severity on Jospin and opposed Mitterrand on that occasion.

This Joxe is the transformation of the previous Joxe: Louis, his father, the founder of the Center of Studies for Foreign Policy, the Keeper of the Seals in 1967, the minister of state for Algerian affairs in 1961 and the former ambassador to Moscow.

Certainly, Louis Joxe was not a leftist. But neither did he ever take up a position against the Soviet government.

"My father was on the side of the Popular Front before the war, on the side of the Resistance Movement during the war and on the side of decolonization after the war. His choices, therefore, could not oppose us."

Today still, Pierre and Louis Joxe are on very good terms, contrary to what the microcosm claims.

To round out this unique family we must add Alain Joxe, the brother of Pierre, and the whole leftist network which has surrounded the minister of the interior since his first interventions behind the scenes. The "Joxes" form a saga which cruises in the most Marxist, Third Worldist and/or Trotskyite waters.

The recent developments of political current events since 1981 have shown the growing influence of this political clan so unlike any of the others, and the dangerous connections of which are better known today.

What unites the Joxes explains a number of great reversals during the seven-year reign of Francois Mitterrand.

It was the most extremist elements of the leftist police unions that caused a hood to be put on the arrest in Vincennes of the Irishmen wanted by Scotland Yard. That was one way of reacting against the installation of gendarmes in the Elysee [presidential residence].

Then the hatred between the police and the gendarmes doubled, manifested in a political desire to attack the gendarmes, with their rightist reputation, insensitive to the union watchwords and interdicts.

Certain journalists, who were then to sketch ecstatic portraits of Pierre Joxe, nourished all these campaigns with a militant faith.

The Greenpeace affair showed how the entire Joxe clan exploded into action to make known, first to Francois Mitterrand, and almost simultaneously to the press, the errors of the DGSE [General Directorate for External Security], in order to facilitate the ouster of the overly ecumenical Charles Hernu.

These same people were then seen celebrating the Joxe integrity, whereas the telephone number of the DGSE could be identified in the Auckland affair only by a precise response from the Joxe services to the New Zealand police!

The result of this very Mitterrandian scandal? A great victory for the socialist extremists over the moderates. The Joxe clan won a definite victory.

The consequences are well known: the people closest to Mitterrand were either reassigned or dismissed. The disheartened Francois de Grossouvre had departed earlier. Charles Hernu was sacrificed. It was the advent of the Laignels and the Joxes.

The Revolt of the Ayatollahs

What does Mitterrand think of this revolt of the Ayatollahs, which was nonetheless led by a faithful follower with an alarming appearance?

"They will be crushed by the opposition in 1986. How can they be prevented from militating?" sighed the head of state. He leaves the activists up to their own devices in order not to see them revive their activities against him, in anticipation of what will transpire after March.

When we take a close look at the Joxes, one by one, what a lot of surprises we find! Pierre Joxe, minister of the interior, former minister of industry, has a career as a militant and friendships that explain a number of unusual governmental decisions. In January 1975, he supplied significant aid to the "Committee of Support for Imprisoned Soldiers," with Roger Garaudy, Pierre Vidal-Naquet, Daniel Guerin or Georges Montaron. The latter was, moreover, a signatory of the "Appeal of the 31" for "a peaceful and democratic solution in New Caledonia." This appeal also received the signature of Alain Joxe, the brother of Pierre.

Does the present minister of the interior recall his participation in an open letter for the liberation of Klaus Croissant?

A member of the "Socialist Rights of Man," the president of the "Franco-Hungarian" parliamentary group, a frequent and recognized tourist in the USSR, he does not miss a chance to emphasize the fact that certain pro-Soviet countries are experiencing "a relative autonomy, including the workings of the political machinery." (LE MONDE, 13 November 1982)

He is also a follower of the CGT [General Confederation of Labor], which for a minister of the interior still in office is quite an interesting situation.

It is easy to believe that Pierre Joxe contends with his brother Alain, 54, a lawyer and journalist, for the right to wear the leftist medals.

Once again an edifying honors-list. Alain Joxe, divorced from Francoise Mallet-Joris, is a member of CERES [Center for (Socialist) Studies, Research and Education] and was by turns professor of law in Santiago, Chile, then member of the foreign policy commission of the Socialist Party.

Yet some features of his biography make certain services--which are, however, under the thumb of his brother--the object of general attention.

In 1967 he took part in a meeting of the "Pugwash" group on matters dealing with European security. In 1968 he attended a conference organized by the

"International Peace Institute," an organization whose love for things Soviet is well known.

Better still: in 1971 Alain Joxe was elected a member of the council of the "International Association for Research on Peace" (AIRP); and as a member of the PSU [Unified Socialist Party], he attends the meetings of the national bureau of the "World Council of Peace." The writer Jean Montaldo has demonstrated, with the aid of bank statements, how this movement was financially, and therefore politically, linked to the USSR.

Alain Joxe is also a member of the sponsorship committee of the "Franco-Libyan Friendships" and the secretary of the "Colombia Committee" association.

He also takes an interest in problems of defense, and here lies the drama, for is he not in fact the assistant treasurer of the "French Association for Defense Studies"?

A strange sort of animator for the "Dialog, Information, Research and Exchange" group, he is also secretary of the "Association for the Support of the Cultural Arabic and Hebraic Movement," and president of the "Center for Study and Documentation on Chilean Actuality."

And there is more: the brother of the minister of the interior is active on all fronts and is a member of the "Justice and Freedom Committee in the Military Establishment," secretary of the AIRP, treasurer of the "Committee for the Support of the Revolutionary Struggle of the Chilean People," and an influential member of the "Interdisciplinary Center for Research on Peace and Strategic Studies."

A journalist for the PSU weekly, LA TRIBUNE SOCIALISTE, and for the journal, AMERIQUE LATINE, this son of Louis Joxe regularly contributes his support to the most partisan causes, such as "Guatemala, 20 Years of Struggle," or the return of Simon Malley, the director of AFRIQUE-ASIE.

Leftist Sympathies

In his ideological combats, Alain Joxe militates elbow to elbow with a lawyer of the communist machinery, Attorney Leo Matarasso, a lawyer who, curiously, enjoys very close ties with the lawyer defending the "Turenge Couple": Attorney Soulez-Lariviere, who was chosen by the ministry of defense in the Greenpeace affair.

Pierre Joxe not only has a brother, he is also a father, and in particular the father of a daughter who intervenes regularly at his side on behalf of Toumi Djaidja, the leader of the Minguettes; or Lionel Rousseau, the anarchist-libertarian and president of the National Federation of Free Radio Stations, and who also directs the Parisian cell of the Longo Mai sect, which was involved in a theft of 800 kg of explosives in Belgium. For the use of Action Directe!

Finally, the sister-in-law of the minister of the interior, Cecilia Cadena-Joxe, took part as a PSU member in the last congress of CEDRI [Comite europeen

de defense des refugies immigres; European Committee for the Defense of Refugee Immigrants], an organization founded and controlled by Longo Mai.

CEDRI is also a kind of thieves' kitchen from which the terrorist and extremist movements select their most trustworthy militants.

There you have the family of Pierre Joxe, the political family, that is. He is the minister of the interior, touted by the extreme left and now strongly suspected, since the Greenpeace affair, of leftist sympathies by the actors in the anti-terrorist struggle.

Recent politico-police dossiers and the discovery of the real personalities in his entourage prove that these suspicions were correct.

[Boxed insert by Veronique Grousset: "Will the Fall be Harder?"]

Andre Laignel, named campaign director for the legislative elections of 1986: that news fell without a comment. It is true that it is better than a simple program, better than a declaration of intent.

For Andre Laignel represents the camp of the "tough guys"; a new pawn put forward by Pierre Joxe, who thus outwits Laurent Fabieus, Lionel Jospin and Michel Rocard, as well. So true is this that on the left it is better to err in the name of ideology than to be in the right against dogma.

Laignel is the symbol of four years of failures and blunders. He is Valence. He is that sentence of death for democracy pronounced on the very floor of the National Assembly at the moment when the "heads will roll" congress was opening--the day that saw the Assembly members rise up from their seats in a storm of protest, when the socialist rear guard had been given the mission of winding up the dossier of nationalizations, when the deputy mayor of Issoudun came out with his: "You are juridically wrong because you are politically in the minority."

In 1982, Andre Laignel once again took a liking to Mirabeau. In 1986 he is being nicknamed "Laignel the Lamb," just as before him Quiles-Robespierre had been transformed into "Quiles-Tenderness." And the same may be said of those who know him best, the socialists in the Assembly who are now calling him the "Joxe-terrier"--the one who yaps louder than his master--and his constituents who boast so willingly of their two famous local products, "the Saint-Nectaire [cheese] and the 'Nain-Sectaire' [dwarf sectarian; play on words]"

His slight build--they say it prompts him to consider himself another Napoleon --perhaps once marked him out as a general. But if one judges by the results of the first campaign confided to him--that of the independent schools--the chances of success for the 1986 legislative election campaign will certainly not profit from this choice.

The only certainty is that the campaign will be all the more difficult. And will the fall be harder, too?

PHOTO CAPTION

The clan of the "tough guys"; Andre Laignel, Louis Mermaz and Pierre Joxe, united in extremity, ready to sacrifice everything to the ideology actively supported by the followers of the minister of the interior. Pierre Joxe, the authority on "Modern Marxism," has always defended the Eastern block countries as did his father, Louis Joxe, the former French ambassador to Moscow (seen here on the opposite page, on General De Gaulle's left, at a reception given at the Elysee Palace with King Olaf of Norway.)

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POLITICAL

GREECE

ECONOMIC DIFFICULTIES SEEN LEADING PASOK TO 'HISTORIC COMPROMISE'

Athens I KATHIMERINI in Greek 8-9 Dec 85 pp 1, 3

/Article by Nikos Nikolaou/

/Text/ The economic crisis has united the majority of the country's political world and has awakened the government leadership. It has also set in motion a dialogue and a framework of agreed upon procedures that if they do not remain empty verbalistic plans but move forward to actions, then it is certain that they will help in finding solutions to the country's critical problems. The above sentiment was stressed yesterday by economic observers who expressed their satisfaction over the standard and tone of the Chamber of Deputies' discussions and they hailed the fact that both government and government opposition agreed on the basic need for us to get out from the crisis through a policy that basically is founded on the system of a free economy.

The latter is perhaps the most important lesson that comes out from an analysis of the long speeches of the government prime minister. Mr Papandreou became aware, even though late in the game, that the notorious third road to socialism is now impassable for the future, while its past 4 years have been burdened with the frightful mistakes that led to the present crisis.

Of course, economic observers did not wait for Friday's discussion to confirm the judgement they had repeatedly described in I KATHIMERINI, namely that after 11 October, PASOK has been, in fact, moving along a different path, at least as far as economic policy is concerned, and that this new line will sooner or later have repercussions generally speaking on both the "Movement's" domestic and foreign policies. In any case, however, they cannot hide their satisfaction over the festive mood in the Chamber of Deputies over Mr Papandreou's regret with regard to the role and contribution of the private sector --i.e. of the foundation of the free economy system-- in the economic development process. On Friday noon, he said, "The private sector will inevitably play an important role. It is a summer night's dream to think that the public sector, as it exists today, is in a position to assume responsibilities that are now the private sector's. We are talking about reality."

This has to do with a confession and an admission having broad multifaceted ramifications.

As economic observers have emphasized, this confession is practically leading to a political consequence for a curtailment of nationalization and socialization measures and to a search by the government for a means for harmonious symbiosis and coexistence with the private sector. Of course, the relative political desire expressed by the prime minister now remains to be confirmed with concrete actions that will have as their goal to gradually and progressively remove all obstacles that PASOK itself had placed in the way in a period of 4 years. However, specific first memos coming from troubled companies and enterprises are hopeful. Mr St. Panagopoulos, director of the National Bank, is now looking for capable managers to replaced the unsuccessful party proconsuls.

The same economic observers have stressed that it would be a mistake for the government opposition, without, of course, its relaxing over Mr Papandreou's openings up to now, to show sectarianism and not to appreciate the significance of certain changes that are being made. Thus, it would also be a big mistake and an erroneous political appreciation if everything that Mr Papandreou has been saying recently, and especially what he said on Friday noon in the Chamber of Deputies, would be considered as deceit, maneuvering or a trick.

In no case is there anything like that! And what Mr Papandreou really believes deep inside, that is if he is sincere or not, is of no importance. In politics, psychographs do not count but the objective conditions that make up the framework within which governments act. The objective conditions are well known and their mention again is perhaps unnecessary. It would simply be useful to say only that with a public deficit that will surpass 1 trillion drachmas in 1986, with a frightful gap in the balance of payments the coverage of which is possible only through an EEC loan and with loans from U.S., British or German banks that once again would be guaranteed by the Community, and finally with inflation running at over 20 percent, the demand by the Left that Mr Papandreou commit political suicide by remaining attached to the dogma of state socialism is to say the least naive. For example, the Left criticized Mr Papandreou because he is now beginning to adhere to the principle of supporting private initiative. But did he or the country have any other choice? In neighboring Yugoslavia, in the country of self-managed socialism, inflation, as mentioned by news agencies yesterday, was 78 percent (!) in November, while unemployment went above 15 percent! What value have labels about socialism when they cover completely dissimilar things?

From among the objective conditions that are definitely determining PASOK's future course, economic observers place in the number one position, together with the economic crisis, the recent Luxembourg agreement, and they hail the vast importance of the fact that Mr Papandreou is cooperating and getting along with other leaders in the course for creating a politically and economically united Europe. In fact, the economic core of the agreement by the 12 leaders is the establishment by 1992 of a large united market in which people, goods, services and capital would circulate unimpeded. In other words, it would have to do with a big free market that would basically be founded on private enterprise, big, average or small. By agreeing to have Greece join this market, Mr Papandreou really acknowledged that the Greek economy would remain in the future an open economy with private initiative as the basic motive power. This is the big historic compromise that took place in Luxembourg and this is the political dimension of the agreement that Mr Papandreou signed on the evening of last Tuesday.

The third road to socialism that in practice is expressed through murky and peculiar plans for nationalization, socialization, self-management, etc., cannot be imposed except in closed economies. If the frontiers should open not only will their low competitive goods go down the drain but the state or self-managed industries that produce such goods would at the same time collapse. Besides, it is for this reason that the countries of existing socialism and their imitators in the Third World have been cut off from international trade with which they communicate only through controlled bilateral agreements.

Thus, our joining a big, competitive and free market (that, of course, will come about gradually and with the economic support of partners) legalistically determines the definite selection of the free economy system by PASOK also.

This choice will in a short period of time bear fruit. The state's deep infiltration into many sectors of the economy over the past few years will not be able to stand for long. The government, if it, of course, survives the economic crisis, will be obliged to take back all prerogatives and distinctions it legislated on behalf of state schemes, such as discriminatory treatment on behalf of state insurance companies, the National Drug Administration, the National Drug Depository, PROMET /as published/ and AGREX /Greek Agricultural Products Export Company/, while the preferential treatment of cooperatives must be done away with and the purchase of petroleum liberalized.

Mr Papandreou has realized and has correctly judged that the choice of a competitive market is now necessary. Answering critics of the Left in the Chamber of Deputies, he said, "A turnabout policy and a refusal of every form of participation in competition is certainly not leftist. There exists today an international production network. Greece is also inevitably in it. And it must survive within this framework."

The previous day, the alternate minister of foreign affairs made the same comments stressing to journalists that if Greece does not survive within the framework of international trade, harsh measures would have to be taken that would have dramatic consequences for the standard of living of its inhabitants.

Economic observers, therefore, on commenting on the events and developments, are reinforcing the judgement they came to on the day after the economic measures were taken, i.e. that there exists a clear turnabout in economic policy that will sooner or later force Mr Papandreou to make definite his divorce from the Left and to seek new supports in the liberal arena.

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POLITICAL

GREECE

PARTIES, PASOK SEEN SCENE OF INTERNECINE STRUGGLES

Athens TO VIMA in Greek 1 Dec 85 p 3

[Article by Spyros Linardatos; passages enclosed in slantlines printed in boldface]

[Excerpts] Everything that has become known about the talks and discussions at the recent special session of the PASOK Central Committee has confirmed the fact that there are basically different opinions prevailing within the party. Also, that these differences are now assuming the dimension and form of a crisis, something that had already become evident through the dismissal of trade unionists and members of the central committee, as well as the resignation and withdrawal --for the time being-- from politics of /Kostas Laliotis, deputy minister of press and recent member of the executive office.

A small or large crisis prevails at this time in practically all Greek political parties, big or small. A crisis that is due to a large extent to the fact that 11 years following the overthrow of the dictatorship the political groups that were set up or were revived at that time do not appear to have become modernized or to have adapted to rapidly developing realities.

New Democracy, even after the breakup and the establishment of a new party from the ranks of the Democratic Renewal, continues to be shaken up by an internal struggle over the party leadership, as is now being admitted by one of its ranking cadres and deputies (Prof D. Nianias in two articles in ELEVETHEROTYPIA on 26 and 27 November).

The KKE (Int.) has been broken up into two disputing factions with the main issue of the dispute being the aspect and name of the party.

Even with the KKE, the most "monolithic" party, at least in its outward appearance, there are now open differences of opinion being voiced as evidenced by the dismissal of its cadres in Patras and as admitted to for the very first time in the report of the recent party central committee plenum where mention is made on disagreements over the stance vis-a-vis PASOK that "create more general ideological-political problems." (RIZOSPASTIS, 20 October).

Let us, however, now restrict ourselves to the crisis within PASOK that is of special interest since it has to do with the governing party and since its policy and acts influence greatly and more directly the course of the country, the functioning of institutions and the daily life of the people.

First of all, the most direct connection with the PASOK crisis is the involvement of the Ministry of Justice in GSEE /Greek General Confederation of Labor/ disputes. An involvement that does not glorify trade unionism, that other pillar of democracy, nor does it strengthen the authority of Justice, that "stronghold of democracy." Of course, the responsibilities of those in PASOK and the two KKE's who are "disagreeing" are not lesser. Instead of seeking a meeting of the minds and understanding, they believed that they had found the opportunity to impose their hegemony over the trade union movement in which they constitute a minority. But the government showed that it considered it almost a disaster --as is usually the case in democratic countries-- if the majority in trade union administrations were not pro-government.

Certainly the basic cause for the crisis being faced by PASOK today stems from its constant change of policy and those who express it in the basic sectors of government policy. The changes in personnel in the ministries dealing with the economy are well known. Also well known is the fate of the administrations that have in the last few years been in the ERT /Greek Radio and Television/. It is evident that with regard to the mass media, that so critical sector for the functioning of democracy, the crisis will not cease becoming endemic if the government does not decide to desist in its stifling control over it and does not ensure legislatively its autonomy from political authority.

Neither a change in government policy in any sector whatsoever nor differences of opinion on any issue whatsoever, large or small, do not suffice to lead a given party to a crisis. The fact that there is today a crisis within PASOK is due primarily to the fact that these changes and decisions on major issues are made suddenly, with decisions made /outside of collective governmental or party organs/. This situation, that constitutes a sort of status quo for the big Greek political parties at least, shows /the immaturity of our democracy/.

It is a fact that not only endogenous but exogenous causes are today thrusting the government and generally-speaking our political life toward authoritarianism. The spread of terrorism and blind violence that has turned to new forms, air piracy, the paralysis of entire sectors of public life through extended strikes (lawyers, doctors, air controllers, etc.) are phenomena that /are placing the country on trial/ at a time when it needs prudent and systematic work to confront the economic crisis and its national problems.

Italy managed to confront the terrorist storm of the "Red Brigades" and other terrorist organizations by strengthening and not weakening its democratic institutions and with complete respect of personal and individual rights and freedoms. Whether or not our country and our democracy will come out of the present crisis /unscathed/ will be judged on the maturity of the political parties and on the necessary democratic solidarity of all political forces.

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POLITICAL

GREECE

LALLOTIS RESIGNATION: POSSIBLE CHANCE FOR PAPANDREOU JUNIOR

Athens I VRADYNI in Greek 24 Nov 85 pp 13-14

/Article by Titos Athanasiadis/

/Excerpts/ PASOK has gotten itself into a new deep crisis with the resignation last week of government spokesman Mr K. Laliotis and his withdrawal from active political and party activities --at least as he himself has stated. This crisis, unlike previous ones, is ideological and political in nature.

This is something that makes the consequences and repercussions in party ranks greater and more dangerous for the cohesiveness of both PASOK and the government.

From a statement made by Laliotis last Thursday, it is revealed that the basic reason for his resignation from the government and his abstention from political and party activities in the future is the abandonment "of the leftist aspect of PASOK as a radical movement." He indirectly but clearly considers Mr A. Papandreou responsible for this. He criticizes him for abandoning the "third road" to socialism, that is the strategy that differs from "social democracy" and "existing socialism," as the PASOK leader himself had declared at the party congress in May 1984 about which Mr Laliotis reminds him now.

Mr Papandreou's new option became necessary following the tragic failure of his socialist policy in the past 4 years. Moreover, immediate significant assistance from the EEC could not be provided without the assurance of the abandonment of the socialist dreams that led the Greek economy to the brink of catastrophe.

The "big turnabout" took definite shape with the announcement of measures stabilizing the economy that were considered to be "rightist" in nature. It is expected that these measures will be supplemented with the legislation of developmental measures that are also expected to be liberal in nature.

Mr Laliotis, although he was opposed to this "opening," supported it from his position as government spokesman, becoming furthermore the government's spearhead in the attack on the KKE that sought to gain party benefits from PASOK's leftist wing by criticizing its new economic policy.

However, the "turnabout" that Mr Papandreou had undertaken in October did not concern economic issues only but the more general policy and strategy of the party, as is evidenced now by the sought after warming up of Greek-American relations that are

expected to culminate with an agreement extending the life of the bases and the granting of significant economic assistance from the United States.

It was exactly the widening of this opening by Mr Papandreou that imposed certain intra-party "adjustments" greater than those that, in a first phase, involved the ousting from the PASOK Executive Office of the party's leftist wing leadership (Laliotis, Gennimatas, Vaso Papandreou, Moralis and Rokos) and in a second phase the dismissal of the eight trade unionists who constituted the spinal column of the party's trade union sector. They were dismissed because they disagreed with the new economic measures.

Mr Laliotis, even though he "swallowed" his dismissal from the executive office, as did others in the leftist wing, strongly reacted to the "defenstration" of the "eight" from the Movement and sought to play the role of "bridge builder" with the prospect of having those ousted return at some future date. This policy of his was also expressed with specific acts that provided for PASOK and the dismissed trade unionists to approach each other especially during the days of the big GSEE /Greek General Confederation of Labor/ crisis and even more so during the all national strike of 14 November.

Having at his disposal control over the mass media, Mr Laliotis presented the strike in such a way as to significantly promote the position of the strikers. Indeed, the secretary general of press and information who resigned at the same time as his superior, namely Mr Laliotis, did not belong to PASOK but to a more leftist group, as he himself noted during his resignation. Two of the three individuals in the ERT-1 /Greek Radio and Television/ administration belonged to an even more leftist group.

The ministers who attacked Mr Laliotis, the first one being Mr Koutsogiorgas, told Mr Papandreou that ERT-1's deviation to the Left and the greater prominence of ND and other parties on the same channel was hurting PASOK in the name of "democracy, pluralistic, many-voiced objective television."

What had Mr Laliotis done with ERT-1 and had become the target of these reprimands? He had, in fact, opened up the channel to leftists in whose home grounds he has always sought to play some guiding role. And to balance out this opening to the Left he permitted a greater presentation of ND and other party announcements and cadres.

However, he tried to cover or neutralize these presentations through the projection of more "vitriolic" attacks on ND and Mr K. Mitsotakis personally than in the past. But his "alibi" did not find fertile ground in Kastri.

Kastri also had an additional reason to be concerned over the demonstration of government activities by Mr Laliotis. The government spokesman is of the same "political class" as Giorgos Papandreou, son of the prime minister, whom Mrs Margaret Papandreou wants to see become the political successor of her husband in the PASOK leadership in the future.

Mr Laliotis certainly represents the most significant opponent in Giorgos Papandreou's career. And since the chances of PASOK's remaining in power are dwindling the time for a promotion of a third in the Papandreou dynasty is also growing short. For that reason the onetime friendly relations of the two have become in recent months cool if not bad.

Indeed, the effort to promote Giorgos Papandreou publicly these days and in the days to come is comprehensible.

It should be especially noted that Mr G. Papandreou, once he had taken over the ministerial post that Mr Laliotis had held in the previous government (Deputy Ministry of the New Generation), he is now seeking to displace him also from the leadership of the ideological-political arena that the former government spokesman had (PASOK's leftist wing)!

It is only in this way that Mr G. Papandreou's statement on the anarchists' incidents and his critical stance on the police ("No force to force") can be interpreted.

If any minister whatsoever would have made such a statement he would have found a letter of dismissal on his desk a few minutes later.

Moreover, in his statement, Mr Laliotis himself made two references that when analyzed by Kastri should normally make the latter panic:

1. He mentions that he will continue his confrontation and
2. He lets it be understood that he has "personal ambitions" since, among others, he too is interested in his "posthumous fame." However, Kastri should be even more panic-stricken by the fact that Mr Laliotis is staying in PASOK, is proclaiming his faith in it and is stressing that he visualizes it in the future as being faithful to the principles of its original proclamation.

5671

CSO: 3521/59

POLITICAL

GREECE

BRIEF

YUGOSLAV ARRESTED--A small Yugoslav tourist vessel, the Galeb, flying the Yugoslav flag, was seized last night by a Port Corps patrol vessel while it was sailing 2 miles out from the big Araxos airfield. The Galeb was moving with its lights out and did not answer the signals of the patrol vessel to stop and to give its destination and nationality. Aboard the vessel was a Yugoslav citizen by the name of Dragan Miongrad Tosik, 46 years of age, who had sought asylum in the West in 1965. Found on board the vessel were cameras that Dragan acknowledged not knowing how to operate. Also found was a Yugoslav bank account book with 1 million drachmas. Dragan said that he had been living in Greece illegally since October 1984. He has been charged with illegal entry into the country and with lack of navigational documents. The KYP /Central Intelligence Service/ has been informed. /Text/
/Athens I VRADYNI in Greek 24 Nov 85 p 18/ 5671

CSO: 3521/59

RIFTS, CONFLICTS SEEN WITHIN LEFTIST SPECTRUM

Lisbon SEMANARIO in Portuguese 26 Oct 85 p 8

[Article by Paulo Portas]

[Text] The parade of candidates that has enlivened the presidential issue over the past 2 years is coming to an end. Candidates who were talked about outnumbered declared candidates 10 to 1. But being a candidate is not a matter of wanting to be one but of being able to be one. Since politics is an art, one does not become a candidate by demanding of fate an encounter with history—one becomes a candidate by knowing that the nature of things or the force of circumstances are working in one's favor. The candidates worthy of our interest are before us like photographs being developed and "fixed" in a lab. The others represent scenery, adventure, or megalomania.

Developing and fixing the real candidates shows us the following: the presidential issue has become simplified in the center and on the right but complicated within the Left. In other words, the center and the Right have a single candidate: Freitas do Amaral. Within the Left, on the other hand, the candidates are increasing in number. While Mario Soares is resisting and Lourdes Pintasilgo is not desisting, Fanism is inserting a wedge into their areas from the top down by running Costa Bras. It is also possible that the PCP will do its usual number: that is, run a tactical candidate who will back out at the right time in favor of the correct candidate from the standpoint of Communist strategy. In conclusion, the presidential election is going to develop and fix three branches of the Left.

The situation is completely different from that in 1980. Then, the candidacy of Eanes brought the entire Left together. The only exception was Mario Soares, who remained silent and outside. Five years later, the personality of Eanes no longer unites—on the contrary, it divides. Even worse, the sponsorship of an Eanist party was and is a challenge to everyone else on the left. The PRD [Democratic Renewal Party] faced the PS [Socialist Party] in the legislative elections, but the candidacy of Costa Bras is emerging to face Lourdes Pintasilgo in the presidential election. All of this is turning the first round of the presidential election into a genuine internal referendum for the Left. And all of this, plus the result of that referendum, will have inevitable consequences in the second round. The reason is that, objectively,

the fight to win that referendum is turning Mario Soares, Costa Bras, and Lourdes Pintasilgo into the chief enemies of each other. As far as Mario Soares is concerned, the chief enemies are Costa Bras and Lourdes Pintasilgo, since the fight with them will be waged vote by vote. As far as Costa Bras is concerned, the chief enemy is Lourdes Pintasilgo, the rebel candidate whom Eanes wants to eliminate. As far as Lourdes Pintasilgo is concerned, the chief enemy is turning out to be Costa Bras, the intruder who may ruin everything. In this panorama, truth commands us to say that we are very far from the days when the entire Left's enemy was the main candidate, Soares Carneiro.

Objectively, there is civil war within the Left. That fact calls for full attention and moderate rejoicing. The thing that makes Mario Soares, Costa Bras, and Lourdes Pintasilgo the chief enemies among themselves is not only personal--it is above all political. What is at stake in this civil war is a series of basic battles. Historically, the battle for leadership of the Left has pitted Eanes against Mario Soares, but it has now shifted to the conflict between Eanes and Lourdes Pintasilgo, with Eanist's chief ally in both cases being the PCP. The battle for civilian government unites Mario Soares and Lourdes Pintasilgo, although for different reasons, in the struggle against the remilitarization of the regime as symbolized by Costa Bras. The constitutional battle places Mario Soares, who favors revision in a liberal direction, in opposition to Costa Bras and Lourdes Pintasilgo, both of whom favor keeping the Constitution as it is. And the battle over the function of the president makes Mario Soares and Costa Bras stand out, although for different reasons, as supporters of the idea of a president as moderator, whereas Lourdes Pintasilgo is pushing the idea of a president as leader. Lastly, there is another battle which is the main one of all: it is the European and Western battle. This is where no one yields: Mario Soares is definitely aligned [with Europe], while Costa Bras and Lourdes Pintasilgo represent, expressly or tacitly, Third Worldism. In short, the three branches of the Left do not constitute a domino game of rivalries. The three branches of the Left are three worlds. Their contradictions are so healthy that they exclude serious alliances.

For those who stand politically in the center or on the right, the civil war among the three branches of the Left means that basic strategic definitions are required. The enemy so far has been Lourdes Pintasilgo. But the threat, one that is growing and is capable of taking the enemy's place, is Costa Bras and the plan for Eanist expansion. In those conditions and for every reason, Mario Soares is only the adversary. No more and no less.

11798

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POLITICAL

PORTUGAL

COMMENTS ON RETURN OF 'APRIL CAPTAINS'

Return Seen as Regression

Lisbon SEMANARIO in Portuguese 26 Oct 85 p 6

[Article by Marcelo Rebelo de Sousa]

[Text] There they are, with the help of that diffuse reality with its populist shape and unmistakable ambition that is called Eanism.

They are the April military who are running in the local elections, are already deputies, or are even, like Lieutenant Colonel Costa Bras, being encouraged to move up to become president of the republic.

In some cases they are emerging with the orthodox and institutional help of the Democratic Renewal Party [PRD], which is the visible and structured face of the Eanist iceberg.

Others are appearing under the discreet and remote halo of sponsorship by the president of the republic himself, Gen Antonio Ramalho Eanes.

But the wave is the same. What separates them is the fact that a few chosen ones merit the personal blessing of their reputed political sponsor, while the others have only bureaucratic clearance from the "emperor's eyes and ears."

We are therefore witnessing an attempt by the "April captains" to stage a sort of comeback as leaders on the national political scene.

That comeback needs to be assessed from five different and complementary angles:

1. It coincides with the end of a politicoconstitutional cycle.
2. It also coincides with the approach of the next and most significant phase in the political-personal career of General Ramalho Eanes.
3. It is happening at a time when the vacuum in civilian political power has objectively strengthened the importance of the military authorities,

introducing a real qualitative change in the application of the Law on National Defense and the Armed Forces that was approved in 1982.

4. It corresponds to renewed theorization concerning national leadership by politicomilitary elites.

5. It is benefiting from the political protection provided by the partial institutionalization of Eanism (in the PRD) and by the PCP's loyal support.

Let us assess each one of those different aspects of the same reality:

First, the 9 years constituting two terms by the same president of the republic have so marked our recent political life that the coming presidential election corresponds in fact to the end of a politicoconstitutional cycle that began when the current Constitution took effect.

The idea that the presidential election is of secondary importance is therefore wrong.

The belief that the results of the legislative elections will take precedence over the presidential election results is illusory.

The theory that everything in Portugal is going to go on as though the elections did not exist or were unimportant reflects a lack of attention, to say the least, since Parliament or the government is the nuclear core of our system of government.

The elections in January or February will mark the end of a cycle that began in 1976 and have the effect of moving the constitutional revision in one of several possible directions. In 1982, a two-thirds majority in Parliament leaned toward a specific balance of powers and a definite profile for the president of the republic. Within the next few months, we will see whether that majority, which won in 1982, again prevailed in 1985 or simply won the first round only to lose the decisive second round.

The return of the April military at this moment means that General Eanes in particular and Eanism in general realize that the presidential election is the essential thing. It was already that in 1976 and 1980, and the same is true to an even greater extent today.

Anyone who does not understand that, but feels that the fatherland will win out in other battles and does not thoroughly commit himself to this one runs the obvious risk of losing all of them--the presidential battle in February and the other battles 6 months later.

Second, the return of the April military coincides in time with the enthronement of Eanes III.

Eanes I was the symbol of democratic stability, the guarantee of the initial steps toward civilian democracy, and the arbiter who demanded, as a condition of governability, that governments be based on cohesive and lasting majorities

in Parliament. Elected with the express support of the PS [Socialist Party], the PSD [Social Democratic Party], and the CDS [Social Democratic Center Party], he presided over the republic from 1976 to 1978.

Eanes II, however, was to be the new face of the same politician beginning in 1979 and as a result of three decisive events: the unsuccessful experiment with a formula for governments inspired by and based on the president; the confrontation between the president and the Democratic Alliance's majority in Parliament--the result, perhaps, of an erroneous conviction on the part of General Eanes, who, on dissolving Parliament, told the country that he did not expect any substantial change in its makeup--and the PCP's tacit approval of the president's conduct after 1979. As a result, Eanes II was reelected in 1980, this time not with the same backing as in 1976 but with the express support of the PCP and the PS (except for Mario Soares, who had finally awakened to the inevitable course that would be followed by the Portuguese president). The new unifying center of the Portuguese Left had emerged.

While Eanes II had freed himself of the bulk of the burden represented by his electoral support in the PSD and the CDS and replaced it with PCP support, Eanes III disentangled himself from his political commitment with respect to the PS and sponsored the takeoff of the party which, in 1980, it had been agreed that he would not start. With the constant and indefectible support of the PCP, he emerged as a party leader.

The end of the president's second term is thus confirming what is, objectively at least, a political metamorphosis: the president who in 1976 symbolized the first steps toward civilian democracy with support from the PS, the PSD, and the CDS, stating decisively on the RTP [Portuguese Television System] that a victory by his rival Otelo Saraiva de Carvalho would cause him to go into exile, is now, in 1985, backing the return of the April military with support from the PCP, launching his own party through his wife, and offering himself as a character witness for Otelo Saraiva de Carvalho.

Third, the return of the April military is occurring at a time when, as a result of consecutive errors and omissions on the part of the civilian government, political practice has been nullifying the role of Parliament, the government, and the minister of national defense and strengthening the position of the military authorities in matters concerning the Armed Forces.

Truth compels us to say that foot-dragging by the caretaker government and the unworthiness of those civilian bodies overcame the pretensions of the military, but the result is simple: Portugal is the only country in the Atlantic Alliance where the political status of the organs of sovereignty in the area of national defense is weakest and that of the military authorities is strongest. An example: it is normal that in meetings by the ministers of national defense, our country should be represented by a military leader.

Since the heads of the Armed Forces change from time to time, it is easy to imagine various scenarios in which the current shortcoming in civilian political power will be fraught with consequences.

Not to mention the short step that exists between that vacuum and generalized intervention by the military authorities as such in Portuguese political life. Today the excuse might be an election, tomorrow it might be a budget, and after that some government decree-law or other.

Today the means might be a spokesman, tomorrow it could be a departing statement at the airport, and after that an interview in a newspaper.

Today the one responsible for intervention might be an admirable and esteemed military leader, tomorrow it could be an agitated group of majors, and after that a stirred-up sergeants' mess.

Fourth, a message presented by Dr Medeiros Ferreira (one of those avenged on 6 October 1985) during the series of lectures sponsored by the 25 April Association to mark the 10th anniversary of the fall of the autocratic political regime has just been published as a book. It deserves attentive reading.

It theorizes concerning the excellence of Portugal's leadership by a politico-military elite, the logic behind the development of the MFA [Armed Forces Movement] (which has taken various forms but has endured in our political life), the justification for its survival, and the strength of its current reaffirmation.

Everything is there, clear and obvious. And for those clamoring that utopia exists, it is urgent to read it, reflect on it, and compare it with the reality we are experiencing now and that which is drawing near.

Concerning the topicality of his thesis, we will add that just recently a well-known general officer tried to have inserted in a prestigious military magazine some prose that was identical in many respects with those ideas concerning national salvation by the hand of the Armed Forces.

Fifth, this return by the April captains is occurring, therefore, at a key moment in parallel with the enthronement of Eanes III (no longer the moderator or the unifying center on the left, but a party leader and candidate for monarch through appointment of his successor, who may--who knows?--be an unwilling Hector Campora for 5 years), and at a time when ideas concerning a politicomilitary elite are taking shape again and we are witnessing the civilian power's anemia in military matters. But it is benefiting in a special way from the arrival of the PRD and the loyal support of the PCP.

It is the end of a historical cycle in this area, too. It is a regression to the situation of 9 years ago, with a more brazen PCP and a PRD made up of fellow travelers allied with many of those who restrained the Communists on 25 November 1975. The only thing is that today, the Communists are their preferred allies. Can it be that now, 10 years later, there is recognition that Sa Carneiro was right when he said that 25 November had been a matter of restraining the voluntaristic excesses of a certain element of the PCP precisely in order to save it?

Lisbon EXPRESSO in Portuguese 26 Oct 85 p 8

[Editorial: "Otelo and the April Captains"]

[Text] In his surprising statements to the court in Monsanto, Otelo Saraiva de Carvalho admitted to being the head of an illegal organization aimed at taking power by force. Otelo denied that he was member of the People's Forces-25 April [FP-25]--but he confessed to being the founder of an organization with similar objectives whose only disagreement with FP-25 was over timing.

What this means is that Otelo Saraiva de Carvalho took a definite stand against the regime he had helped establish.

That is a pity.

The reason is that it is always distressing for any regime to have to judge a figure who staunchly exerted himself on behalf of its establishment. By putting Otelo in the dock, the democratic regime was, in a sense, also bringing part of itself to trial.

There is little value, however, in placing ourselves in the romantic position of contemplating the past.

Indications are that Otelo is probably sorry that he did not take power when it was at his doorstep.

But not all the April captains are now sorry for their actions and their pledge to turn power over to civilians.

Their number would include those captains who participated, as candidates for deputy, in the recent legislative elections--and who were sharply attacked by the Right.

Let it be said right now that those attacks were unfair.

Those captain-candidates have said clearly that they are dissatisfied with the way the politicians have been conducting Portuguese politics.

In other words, they have said clearly that they do not agree with the options chosen by those who inherited the regime which they established.

But even though taking that stand, they did not hatch any plots. On the contrary, they adopted an attitude of respect for the "democratic principles" they said they were defending on 25 April 1974: they submitted to the vote of the people, leaving it up to the country to choose them or to choose others.

The captains who were candidates for deputy in the elections of 6 October therefore acted in a straightforward and honorable manner.

They did not tell the country they were sorry for what they had done 11 years earlier.

But, disagreeing with the way the country was being governed, they submitted their proposals to the Portuguese--and did so on an equal footing with the other candidates.

The attitude of the April captains who took part in the PRD's campaign strengthens democracy.

Otelo's attitude rejects it.

11798

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POLITICAL

PORTUGAL

SALGADO ZENHA ON CANDIDACY, COMMITMENTS

'No Understanding With PCP'

Lisbon O JORNAL in Portuguese 22-28 Nov 85 pp 8-9

[Text of interview with Salgado Zenha, former Socialist Party official and presidential candidate, by Manuel Beca Murias, date and place not specified]

[Text] Salgado Zenha, the former leader and number two man of the PS [Socialist Party], has just received the express endorsement of Ramalho Eanes. In his first in-depth interview following the confirmation of his presidential candidacy, Zenha compared his program to that of an Eanes "in civilian clothes," his primary objective being to defeat Freitas do Amaral, who, according to Zenha, represents the program of "Soares Carneiro in mufti."

Question: On television, Dr Salgado Zenha pledged to make our public administration "transparent," as a way of controlling corruption. At the same time, however, you pledged that, if elected, you would not interfere in government activity. Isn't this a contradiction?

Answer: The proposal to establish what the English call an "open file," or open administration, was the result of my observation of the enormous degree of corruption in Portugal today. I do not believe in combating corruption with repressive measures, not only because they don't work but because I feel that although the High Authority has its positive aspects as an institution, oversight of the public administration is best done by Public Administration itself. So I understand that the best system would be an open administration, giving all citizens the right to consult any "dossier" whatever, of the government or the local governments, at any stage. This issue is extremely important to professional journalists and to public interest groups. The system functions well in many countries and could do so in Portugal as well. The president of the republic does not have the authority to make a law of this kind, but the Assembly of the Republic does. Simply, I think that, at this time when we are talking about the ills affecting our country, we ought to propose solutions.

It is not just the government or the parliament which introduces positive ideas. It is also public opinion. Insofar as public opinion gives shape to this reform, it will come about sooner or later.

PCP Support: "I Combat Ideas, Not Men"

Question: Those who have known you for a long time see you as a man of courage, but not a man of consensus. Do you think this is a good character trait to have if you are elected president?

Answer: I think the characterization is perhaps exaggerated. But I respect differing points of view. I have spent most of my life under a regime in which there were no civil liberties. I became known, above all, as an advocate for the introduction of a regime in Portugal which would respect civil liberties--which, obviously, was a position in conflict with the system then in effect. Whether as an attorney or, later, as a deputy and in the other activities of my public and political life, my actions have in fact been ruled somewhat by this style. Even so, I consider myself to be a man of consensus. To me, consensus does not mean that everyone should think the same way. I even believe that consensus will always involve conflict. Consensus imposed by force or based on hypocrisy is no consensus. What must be created in Portugal is consensus, which does not exist now, on the functioning of the democratic regime. I believe I can help to bring it about. The fact that I fought for the advent of democracy does not mean, quite the contrary, that I am incapable of struggling for consensus on the consolidation of that democracy.

Question: In the past, when two different conceptions of democracy were confronting each other, it was Dr Salgado Zenha who was most pugnacious and toughest against the PCP [Portuguese Communist Party], a party which is now going to support your candidacy. How do you reconcile these two things?

Answer: I make a distinction between men and the ideas which they profess to defend. For me, the confrontation is not between men but between ideas. At that time,¹ I was minister of justice and the proposal for a single union originated in a ministry of another political hue. I understood that it would jeopardize the consolidation of democracy in Portugal.

I combated the idea, not the men.

"I Don't Negotiate With Anyone"

Question: The debate was over an exclusive union versus union solidarity?

Answer: That was it; that was the whole thing.

Question: Today, to see you in an understanding with the Communist Party is, on the face of it, difficult to believe.

Answer: I have no understanding at all with the PCP.

Question: You haven't negotiated with anyone?

Answer: I haven't negotiated with anyone. As I said, my candidacy is directed at all the Portuguese people. The first candidacy I ever supported was that of Norton de Matos,² which profoundly influenced my political career. I recall very clearly that he was asked the same question, and he replied "I am a candidate of all the people for the presidency of the republic. If I am elected,

I will be the president of all the Portuguese people." At that time, you couldn't ask: Do you accept the support of the Communists?" because the PCP had no legal existence, but Norton de Matos declared: "The Communists are Portuguese, so I accept their support if they wish to give it to me." The situation is exactly the same today. If we [rejected Communist support], we would have to reject the votes of everyone who did not have precisely the same ideas as we do. But I do not distinguish between men. I distinguish between ideas. I never fight against men. I assume there are differences in ideas.

Two Projects in "Civilian Clothing"

Question: Are there any terms of comparison between the previous elections, in which you took part as an Eanes supporter, and the present one, in which you are participating as a candidate?

Answer: Situations are never entirely new; they all have some points of reference. In these elections, there is a program, that of Professor Freitas do Amaral, the objectives of which are basically the same as those of Gen Soares Carneiro; there is another project--mine--which is basically the same as that presented by General Eanes. You could say that Professor Freitas do Amaral's project is that of Gen Soares Carneiro "in mufti" and mine is that of General Eanes, also "in mufti."

Today, the problems are different. The issue of the referendum is not under discussion. But Professor Freitas do Amaral's project is for a system in which there is a president, a government and a majority--exactly the same as that of Gen Soares Carneiro. For my part, I would argue for a program in which the president of the republic is the guarantor of the constitution, of liberty and of democratic rotation in power. Obviously there are other differences, but this is the basic contrast.

Question: The basic contrast with Professor Freitas. And with Mario Soares? And with Maria de Lourdes Pintasilgo?

Answer: I have already had occasion to say that I have always opposed the idea of the president as the leader of a party. I feel that making the presidential function partisan would contribute to weakening democracy. In 1980, and to make a very superficial and simplified analysis, this was essentially my argument with Mario Soares. As for Eng Maria de Lourdes Pintasilgo, there are certain points of contact with the views which she defends. Although our political positions are convergent, they had a different origin. As to the points where I am in disagreement, I think she represents a government program that cannot be fulfilled through the presidential function. From what she says, she represents the possibility, if she is elected, of an abuse of the presidential powers. Instead of creating consensus, she would aggravate the dissension.

Eanes Letter

Question: Did you feel any discomfort about the support for you in General Eanes' public letter? Are you starting with a "handicap" greater than the others because of that public endorsement? Don't we have a kind of "dynastic process" here?

Answer: That's your opinion. I don't know of a democratic country--and if one exists I would like them to tell me--in which the acting president of the republic is prevented, as a citizen, from expressing his opinion about a candidacy. Quite the contrary; it is customary for presidents who are leaving office, either because they cannot run again or do not wish to, to support openly and even make public speeches on behalf of presidential candidates. If you think that the president of the republic, having served out his term, is not permitted to exercise his democratic rights like any other citizen, then it is because we are not living in a full democracy, but one which is limited in an arbitrary and antidemocratic way. If the acting president of the republic, as a citizen, accepts my program and decides to support my candidacy, I am honored. The manner in which Gen Ramalho Eanes exercised the office of president of the republic will serve as an inspiration to me. It will not be a matter of copying him--not only because these are two different candidacies but because the problems to be faced will be different--but of taking Eanes as a point of reference. I deem it an honor to be supported by General Eanes.

Question: The other candidates, specifically Professor Freitas do Amaral, speak of an alleged need to change the political system, with the purpose, he says, of strengthening the possibilities for governmental stability. Would you care to comment?

Answer: Government stability was a topic that was done to death by the so-called New State. We had too much stability. Government stability is obviously a good thing, as long as it does not imply a negation of essential values, such as civil liberties, respect for the constitution and a guarantee of the principal of democratic alternation. This does not mean that the people are obligated to change their opinions for each election, but that they cannot be prevented from expressing their will to maintain or change the government.

Question: Dr Mario Soares, for example, has been complaining that his government fell at the precise moment when, in his view, there was some possibility of launching economic recovery.

Answer: The Democratic Alliance government did not fall for want of a parliamentary majority--and this is even more mysterious--it fell apart internally. The democratic system must be strengthened. The constitution is the crystallization of a series of political compromises made at a difficult moment, and its revision is inevitable and desirable. It could be done at any time by a four-fifths majority and in brief by a two-thirds majority. My problem is to see that the constitutional framework of the revision is respected. This being the case, as long as the parties represented in the Assembly of the Republic debate the constitution and introduce the changes they agree on, I think this is positive. The constitutional framework which provides for such revision cannot be violated. But I also feel it is perfectly possible to govern with the present constitution.

Organize Gradually

Question: But specifically with regard to the views set forth by Professor Freitas do Amaral...

Answer: The proposal which I considered the most dangerous (and which is basically a repetition of Gen Soares Carneiro's project) is the one defended by Freitas do Amaral. He thinks the ideal is the English system, in which Mrs Thatcher, with only 38 percent of the votes, achieves a majority in the House of Commons. Well, 38 percent is precisely what the CDS [Social Democratic Center Party] and the PSD [Social Democratic Party] hold in Portugal. If we are going to install a system to guarantee that the Democratic Alliance will always be in power, democracy no longer has any meaning.

Question: You will have to put together your campaign in a very short time. Signatures of support, organization, advertising, funding and so on. How can you do it?

Answer: I am bound by the laws of Portugal. Naturally, I am going to comply with all the legal requirements.

Question: What kind of support do you have?

Answer: These are not things that I can handle by myself. Professor Henrique de Barros has agreed to be the national campaign chairman. There is a task force which is working closely with me at this time. The various support committees are being formed; everything will get done little by little.

Question: Let us suppose that you are elected and installed in Belem Palace. What would your first three measures be?

Answer: The president of the republic does not have a government plan, but a program in exercise of his presidential functions.

No Ribbon Cutting

Question: But no one sees Dr Salgado Zenha going to Belem to engage in ribbon cutting ceremonies. He has an idea, a political idea of the functions [of the office] for which he is running.

Answer: Freedom, responsibility, information and decentralization--and I will not abuse my presidential powers. I will not be a ribbon-cutter, but if, at the end of my term, I am compared with other chiefs of state, I would rather be compared with the king of Spain than with President Pinochet. Being an active president is not the same as being an activist president. The values which I defend are not to the Right, or Left or Center.

Question: In this office....

Answer: In the presidential office, you cannot have sunshine on the threshing floor and rain in the turnip fields.

Question: In your fashion, are you also going to put socialism on the shelf?

Answer: This is completely different.³ To exercise an office, one must establish precisely the objectives of that office. In my understanding, the objective of the presidential office is to establish consensus on the functioning of democracy.

Question: Did you ever think, in the past, that you could be running for the presidency?

Answer: No, never. But when I was arrested and the PIDE [International and State Defense Police] asked me if I would rather be "deputy or deported," I replied "neither one" and ended up being a deputy.

FOOTNOTES

1. As would be recounted later in an article published in DIARIO DE NOTICIAS (12 January 1977), Zenha, joining the PS in defending union "solidarity," opposed the idea of a "sole union" by which the "PCP intends to recognize the Intersindical as the sole central union and, through it and its bureaucracy, to take control of the entire labor movement."
2. In 1949, Gen Norton de Matos was the opposition candidate in the fraudulent elections organized by the Salazar dictatorship, which ended in the inevitable victory of the government candidate: Marshal Oscar Carmona.
3. Given his moderate position and his alliance with parties on the Right, Mario Soares is accused of having "put socialism on the shelf," a theme that was brought up in the parliamentary debates on his government program in February 1978.

Zenha Seen Reserved, Dignified

Lisbon TAL E QUAL in Portuguese 29 Nov 85 pp 8-9

[Text of interview with presidential candidate Salgado Zenha, by Hernani Santos, in Lisbon, date not specified]

[Excerpts] In a spacious apartment on Avenida dos E.U.A. live the couple Irene and Francisco Salgado Zenha. Irene, a former tennis champion, is now a housewife. Salgado Zenha, attorney, politician, former high official of the PS [Socialist Party], is currently a candidate for the presidency of the republic.

If a home naturally reflects the personality and style of those who live in it, then the Salgado Zenhas could not have designed a home more in their image, even if they had tried. Elegantly subdued. Comfortably dignified. Above all, graciously formal.

The personal formality of Salgado Zenha shows everywhere, in the decor and in the mood. A certain tradition of hospitality, which the antiques evoke with nostalgia, has been preserved without the austerity of the past, but by the welcome with which one is received, one cannot imagine the host greeting his guests, even his closest friends, in the modern style, with open arms and exuberant back-slapping. One even has the sensation that if the visitor behaved this way, he would be told, in a genteel but direct way, that he had just shown a lack of respect for his hosts.

One might question his political ideas, but Zenha hardly leaves any doubt about his conviction and the integrity of his motives. Unlike the snake oil salesman, he is not seeking to deceive anyone. His product is there to be seen, without colorants or preservatives. His tone of voice, as if deigning to go over a piece of evidence one more time, almost suggests: take it or leave it.

"This tone sometimes leaves people with the false idea of irascibility," we were told by someone who had worked closely with Zenha in the PS. "They could not be more mistaken. Dr Zenha is enormously shy about promoting himself; he almost seems embarrassed when he talks about himself and his ideas. He thinks it is natural to struggle on behalf of the country and that there is nothing out of the ordinary about it."

In fact, Salgado Zenha sets forth his convictions with the simplicity of one who loathes the nonsense and hypocrisy of the dramatic and professional rhetoric, ~~the claims~~ to be the salvation not only of the Portuguese but of all humanity.

At the personal level, Zenha was quite surprised when I commented that his life was almost as obscure as that of Alvaro Cunhal. When I was leaving, this man, who does not appreciate humor for the sake of humor, joked: "If you are deceived about where I live, look in the telephone directory--I don't live in clandestinity."

Message received. Humor, yes, but only with a purpose in mind.

TAL E QUAL: A presidential candidate (Meneses Alves) said recently on television that Dr Salgado Zenha was "physically ill" and "affected psychologically": how is your health?

Salgado Zenha: I am quite well. I am not suffering from any ailments. Only Sr Meneses Alves can explain what led him to make such an observation.

TAL E QUAL: You are known to drink coffee. What other small vices do you indulge in that are harmful to your health?

Zenha: I drink a cup of coffee twice a day. But I don't smoke.

TAL E QUAL: Let us go back to 1975. It was Dr Zenha who wrote up the statutes for the public enterprises and financial institutions. At the time, their social content was considered advanced. Looking at the way the Bank functions today--for example, the millions of contos in bad credit risks--do you feel frustrated?

Dr Zenha: That statute was drafted by a team that included Sr Santos Silva, Dr Vitor Constancio and Eng Sousa Gomes. I am not in agreement with what is happening today. But the excessive political control over the Bank, which was no part of the statute, naturally, has made the Bank administrators irresponsible. In fact, there is much to be criticized.

TAL E QUAL: Your image is one of a European, democratic and civilized politician, who does not confuse the political struggle with personal enmities. Would

you agree that your long personal friendship with Dr Mario Soares may have been, perhaps on both sides, the victim of politics?

Zenha: In a democracy, there is coherence to our ideas themselves and there is a value which we must take as a reference: the welfare of the country. This is a personal interview, right? Well then. We were six brothers in my family and, of the eight people who made up my family, none of them thought the same way as I did. Even today, one of the sorrows of my life is that my parents and some of my brothers, especially my mother, suffered a great deal over my political positions, in terms that I will not go into here, but they have never made any recriminations against me because of this. Therefore, I became accustomed to the idea that our positions regarding ideas are our own.

TAL E QUAL: Then you do not renounce the friendship which you have always had with Dr Mario Soares?

Zenha: I respect our past and if we went back I would not have the slightest doubt about having the same personal friendship with Mario. But that friendship can never imply that one is the vassal of the other. I would never condemn Mario for the positions he takes, but neither do I accept or presume that I cannot take my own political positions. This is my conception of life.

TAL E QUAL: You have defended the existence of an open "transparent" government which offers access to information. Would you cite specific cases?

Zenha: This never happens in Portugal. In all the administrative activity of the government and the state with regard to the citizens, the latter do not have access to information, except under juridical conditions that constitute an almost insurmountable barrier.

TAL E QUAL: What has been the reaction to your candidacy from the members of the former secretariat of the PS, which you led?

Zenha: In politics, I am a democrat and a liberal--and liberal. Some of them have taken the initiative to tell me they support me. Others have said they were not supporting me, but this has not changed my relationship with them. I have even said to some of them: I am pleased that you take a political position different from mine; I think this is democracy. I think it is normal that it is this way.

TAL E QUAL: Your political image is well known, but your personal image is almost as obscure as that of Doctor Cunhal.

Zenha: And how is that?

TAL E QUAL: Do you have children?

Zenha: No.

TAL E QUAL: Tell us about a situation--a type of humor--that makes you laugh out loud.

Zenha: I am a cheerful person and I appreciate humor, but not professional humor. For example, in Portuguese literature, I think the humor for humor's sake does not lead anywhere.

TAL E QUAL: Do you enjoy the Brazilian television novellas?

Zenha: I have not seen all of them, but I have watched some of them.

TAL E QUAL: Do you approve of sexual permissiveness?

Zenha: No. I am not a puritan but I think that everything in life has rules and there are rules here, too.

TAL E QUAL: Do you take public transportation? Do you have a public pass?

Zenha: Almost always. I had a pass when I was a deputy. It was a perquisite given us by the parliament. Now I do not have this economy. I often walk from my home to the office. I also use the Metro. It is more difficult for me to use a car. I rarely drive inside Lisbon.

TAL E QUAL: It is said in political circles that Dr Salgado Zenha became a practicing Catholic a relatively short time ago. Has there in fact been a significant change in your life with regard to religion?

Zenha: I am not a practicing Catholic. I consider myself a Christian. I think that every religion in the world has particular characteristics that I seek to understand and that interest me; it is one of the cultural topics of great interest to me. I was brought up as a Catholic. I consider myself a Christian. But I have a horror of using religion to go after votes or for personal prestige.

TAL E QUAL: You are not, then, of the "Opus Dei," as they also say.

Zenha: I am not.

TAL E QUAL: Before announcing your candidacy, you talked with Engineer Pintasilgo. Did you ask her to withdraw in your favor?

Zenha: If I met with her or not is a question which should be asked of her. I can, however, say that I have never asked and will never ask any candidate to withdraw. This is a personal decision for each candidate.

6362

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POLITICAL

PORTUGAL

PINTASILGO'S POPULARITY UP SINCE PARLIAMENTARY ELECTIONS

Lisbon SEMANARIO in Portuguese 26 Oct 85 p 17

[Text] Lourdes Pintasilgo would win in a three-way competition for the presidency with Freitas do Amaral and Mario Soares. With one reservation: this survey was taken between 9 and 17 October, in the aftermath of the legislative elections on the 6th, and at a time when the PSD [Social Democratic Party] support of Freitas do Amaral had not yet been defined.

If Lourdes Pintasilgo were to compete with Freitas do Amaral on a second round in the presidential election, she would win by 48.6 percent to 27.1 percent. But her victory would not be distributed equally over the whole of the national territory. Freitas do Amaral would win in Coimbra, Vila Real and Viseu, while Pintasilgo would have the southern part of the country (Lisbon and Evora) and Oporto.

The ascendancy of Lourdes Pintasilgo over the former centrist leader is least clear among the upper class (40.3 percent against 39.3 percent), but she would win the support of the young and the old of all classes and both sexes.

Pintasilgo would also win over Mario Soares, were he her opponent in the second round, with 44 percent against his 26 percent. This would be not so great a victory, but it would be one in which the national consensus would be broader. The socialist leader would only win in Vila Real and Viseu, while the coast (Oporto and Lisbon), Coimbra and Evora would give the majority of the votes to the prime minister.

Here too the social sectors polled would be unanimous in giving Pintasilgo the majority of the votes. And it would be among the lower classes that the difference would be greatest--56.5 percent against 12 percent.

In direct competition with Freitas do Amaral, Mario Soares would also taste defeat, with the result showing a minimal difference, 29.1 percent and 28.1 percent, favoring the reformist candidate. In this balanced contest, each would win three cities--Lisbon, Coimbra and Viseu for Freitas do Amaral, and Oporto, Vila Real and Evora for Soares.

The social division of those polled, however, provides some curious details. The young people and women prefer Freitas do Amaral, while those over 45 years

of age and those of the masculine sex tend toward Soares (35.2 percent and 32.4 percent, respectively).

However, much political water has passed under the bridge since the period when the field work for this poll was done (9-17 October). One of the most significant events will have been the PSD decision to support the candidacy of Freitas do Amaral, which may change the results of a more recent poll to some extent. In this connection, it can be noted that the percentage of those undecided here came to about 13 percent (in the comparisons between Freitas do Amaral and Pintasilgo, and Freitas do Amaral and Mario Soares), and 11 percent for a Pintasilgo-Soares "final." In other words, indecision increases when Freitas do Amaral comes on the scene.

Voting on the Second Round

	Sex		Age		Class			
	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>15-44</u>	<u>45+</u>	<u>Upper</u>	<u>Middle</u>	<u>Lower</u>
Between F. Amaral and M. L. Pintasilgo								
Freitas Amaral	27.1	21.9	31.8	33.3	21.4	39.3	25.4	16.6
M. L. Pintasilgo	48.6	53.5	44.1	49.4	47.9	40.3	49.6	56.5
Don't know	13.3	9.7	16.6	7.2	18.9	4.5	14.6	20.6
Would not vote	8.8	11.9	5.9	9.1	8.4	9.2	9.0	6.3
No answer	2.2	3.0	1.5	.9	3.4	6.8	1.3	--
Between F. Amaral and Mario Soares								
Freitas Amaral	29.1	22.9	34.7	40.0	19.1	47.4	25.2	23.4
Mario Soares	28.1	32.4	24.3	20.5	35.2	20.2	31.9	14.9
Don't know	13.9	9.3	18.0	9.9	17.5	6.0	14.3	25.1
Would not vote	26.6	32.4	21.4	28.6	24.8	19.6	27.1	36.5
No answer	2.3	3.1	1.6	1.1	3.4	6.8	1.4	--
Between M. L. Pintasilgo and Mario Soares								
M. L. Pintasilgo	44.3	48.1	41.3	50.5	39.0	33.3	45.8	56.5
Mario Soares	26.7	28.4	25.3	22.0	31.1	28.1	28.4	12.0
Don't know	11.3	5.5	16.6	10.4	12.1	5.3	12.2	15.7
Would not vote	15.2	15.1	15.4	16.1	14.4	26.5	12.3	15.8
No answer	2.2	3.0	1.5	.9	3.4	6.8	1.3	--

5157

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POLITICAL

PORTUGAL

PINTASILGO REPORTEDLY SUPPORTED BY 25 APRIL ASSOCIATION

Lisbon EXPRESSO in Portuguese 1 Nov 85 p 2

[Article by Pedro d'Anunciacao]

[Text] The role of the military in the presidential election has become a dominant topic over the past few days. The most outstanding supporters of civilian government, Mario Soares and Dlogo Freitas do Amaral--themselves personally in the running for Belem Palace--were the first to draw attention to the incongruity of having a military man as chief of state in a Western and European country. After that, about 300 writers of various political hues signed a manifesto rejecting any military candidate for president, "no matter how many civilian charms he presents."

No matter how discriminatory one may consider those attitudes toward citizens who have pursued a military career, the latter have generally respected the legal rules prohibiting them from expressing political opinions publicly while in active service and have remained silent. The only exception would be Lemos Ferreira, who has openly flaunted his intention to be a candidate and has always given a well-known political turn to his official speeches and the interviews he has granted.

But strangely, the first collective manifestation by military men occurred early this week--on Monday night--when a group of members of the 25 April Association, whose number included a few prominent figures in the former MFA [Armed Forces Movement] (among them Air Force General Pezarat Correia, Adm Vitor Crespo, Captains Martins Guerreiro and Almeida Contreiras, Colonels Costa Neves and Fisher Lopes Pires, Majors Sousa e Castro and Sanches Osorio, Col Carlos Fabiao, and Air Force General Pedroso Lima), met at the National Cultural Center with candidate Maria de Lourdes Pintasilgo.

Pintasilgo Sweeps 25 April Association

It should be noted that that meeting came along after members of Pintasilgo's campaign team had been emphasizing to the newspapers that the former prime minister had the support of the 25 April Association--a fact which, in their expressed opinion, represented a resounding setback for Colonel Costa Bras, who had just entered the race for president. At the same time, Pintasilgo's

supporters were pointing out that one of the conditions laid down to Eanes by Costa Bras was that his candidacy would require support by the 25 April Association (a report which both men make it a point to flatly deny).

Whether or not support by the 25 April Association was included in the conditions laid down by Costa Bras (and based on the information we have, we presume that it was not), the fact is that the public meeting on Monday carries a very specific meaning--one of undeniable commitment to Maria de Lourdes--that is not without its surprising aspects. It took place after several intellectuals supporting Pintasilgo had signed the writers' "antimilitary" manifesto, after Costa Bras had announced his candidacy with the publicized support of Ramalho Eanes, and after it had become clear that the PCP was not going to give its votes to Maria de Lourdes Pintasilgo.

By demonstrating their preference for Pintasilgo, therefore, the members of the 25 April Association were also manifesting their reservations concerning the candidacy of the High Authority Against Corruption.

What is surprising in all this is that those military men, who in the delirious days of the PREC had presented themselves as the exponents of more or less revolutionary front politics (with the exception of Sanches Osorio, who then moved to the right), are now rejecting the candidate who appears most capable of forming a leftist front and are sticking solely with the candidate who may, from all appearances, turn out to be more revolutionary. Especially when one considers that Costa Bras is an old comrade-in-arms, while Pintasilgo is suddenly adhering to the most radically civilian ideas. Even more strange is the fact that military men long linked with the Communists, examples being Martins Guerreiro and Almeida Contreiras, are so conspicuously ignoring the party's theses (thus seeming to return to the days of the PREC, when the PCP's military sector tried to place itself in the vanguard of the revolution and drag the party along behind it).

MFA Reduced to an Image

It can be said that the importance of that meeting by military men is very minor, since only one of them--Pezarat Correia--currently performs prominent operational functions. But for Maria de Lourdes Pintasilgo--who knows she does not have the official support of the PCP, the PS [Socialist Party], or the PRD [Democratic Renewal Party]--it is most desirable, for the purposes of the appeal for rebellion which she needs to issue to certain leftist voters, to put across the idea that she has the old MFA at her side. Even though in this case the MFA is appearing in such restricted terms.

As regards the 25 April Association (to which Costa Bras also belongs), the fact that its chairman, Vasco Lourenco (known as a former Soares supporter), did not attend the event in question does not seem to be enough to prevent its commitment.

There are those who say that the association came into being only because of Lourenco's need for political survival--after the Council of the Revolution was abolished, he refused any promotion that might be political in nature,

preferring to remain a major. However that may be, there were attempts to gain control of the institution as soon as it was founded. The result was a victory for leftist front tactics, with Soares supporter Lourenco ending up as chairman and the pro-Communists gaining great influence. We will see whether those front tactics will remain pro-Pintasilgo until the end.

From Absolute Militarism to Absolute Civilianism

Meanwhile, it is interesting to note that this is the first presidential election since 25 April [1974] in which the military have had no power of their own. The election score that Costa Bras, a colonel in the reserve, achieves will be due solely to the political capital built up by Eanes during his 10 years as president of the republic.

In 1976, it was unquestionably the military who nominated the president. They were quickly followed by the most important party leaders, and their choice was naturally ratified by the voters. In that year, it was the MFA that held power, having just put an end to the PREC adventure. A group of officers from the Group of Nine, which was on top at the time, chose Eanes by seven votes at a meeting held in Sao Juliao da Barra--a meeting at which it was necessary to take away the illusions of the man called the "viceroy of the North," Pires Veloso. It should be recalled that even then, Costa Bras was mentioned by Eanes as a possible alternative.

In 1980, Sa Carneiro and Amaro da Costa tried to defeat Eanes within the Armed Forces to force him to withdraw. The president, who was also chief of the General Staff, kept the military hierarchy under his control, despite the fact that Firmino Miguel--opportunistically promoted to general by Eanes--had hesitated between Eanes and Soares Carneiro.

From that point on, Ramalho Eanes became a civilian, as he was required to do by the constitutional revision. That put him in the position, obviously, of being able to contend for voters with the most radical supporters of civilian government.

11798

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POLITICAL

PORTUGAL

RECENT POLL GIVES MAJORITY TO FREITAS DO AMARAL

Lisbon O JORNAL in Portuguese 1-7 Nov 85 p 7

[Text] With 29 percent of the vote, Freitas do Amaral would be the candidate receiving the most votes in a confrontation with Lourdes Pintasilgo (24 percent), Mario Soares (17 percent), and Costa Bras (2 percent), according to a poll conducted exclusively for O JORNAL by Marktest.

If Freitas do Amaral and Lourdes Pintasilgo faced each other in a second round, however, Pintasilgo would win with 39 percent, compared to 35 percent for her opponent.

The poll shows that the distribution of votes among the candidates corresponds to the choices made in the elections of 6 October.

This poll was conducted last weekend, with 430 persons of both sexes being interviewed in 16 localities with over 10,000 inhabitants (urban voters).

When asked how they would vote in a runoff election between Freitas do Amaral and Lourdes Pintasilgo, the interviewees answered as follows: F. Amaral: 35 percent; L. Pintasilgo: 39 percent; neither one: 10 percent; and "don't know" or no answer: 16 percent.

If the second round were a runoff between Soares and Amaral, the voters would give Soares 30 percent and Amaral 34 percent, but 21 percent would not vote for either of them, and 15 percent either did not know or did not answer. It should be pointed out that 64 percent of those who said they had voted for the APU [United People's Alliance] in the legislative elections said that they would not vote for either of these candidates.

For Which of These Personalities Would You Vote?

Name	Percent
Freitas do Amaral	29
Lourdes Pintasilgo	24
Mario Soares	17
Costa Bras	2
None of the above	11
Don't know/no answer	17

If the second round pitted Costa Bras against Freitas do Amaral, the latter would be the clear winner with 38 percent, compared to 16 percent for his opponent. Of those polled, 22 percent would not vote for either of these candidates, and 24 percent did not answer or did not know.

If faced with a choice between Pintasilgo and Costa Bras, the Democratic Renewal Party's voters would choose Pintasilgo (39 percent) over Costa Bras (9 percent).

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POPULARITY OF PCP'S ZITA SEABRA NOTED

Lisbon O JORNAL in Portuguese 1-7 Nov 85 p 8

[Article by F.M.]

[Excerpts] "Zita Seabra is the PCP's candidate in the presidential election!" That report circulated with some speed and was repeated every hour on radio without being denied. Reserved and perhaps amused, Zita Seabra commented to O JORNAL: "That report had no connection with reality." And she said no more.

After Alvaro Cunhal, Zita Seabra is the most popular PCP leader in the country. The polls say so. The more Zita Seabra expands her support beyond the borders of her party, the more acute a number of problems involving internal misunderstanding become.

Continue as Deputy

Zita Seabra's possible candidacy for president would be a signal to "deflate" Lourdes Pintasilgo's campaign. By choosing a leader such as Angelo Veloso, the PCP is publicly postponing that decision.

Zita Seabra had been mentioned in some newspapers shortly before as a candidate to chair the city council in Cascais. She has always confirmed to Helena Roseta, with whom she has been on friendly terms since their days in the Assembly of the Republic, that "I will not be a candidate."

A deputy since being elected to the Constituent Assembly, she succeeded Vital Moreira as head of the list for Aveiro, where she was reelected in the legislative elections of 6 October.

Now 35 years old, Zita Seabra went underground in 1969, when she was only 17 years of age. Her future could have been in medicine, but she never completed her training. Her popularity comes from her speeches during debates in Parliament concerning legalized abortion, family planning, and sex education.

Since then she has been closely linked, even within the PCP's structure, with the problems of women. She recently visited the FRG for a meeting by women communist leaders.

When she, along with Bernardina Sebastiao, was elected a member of the PCP's Political Committee, one of the first people to welcome her was another woman Communist, Alda Nogueira. It was an unforgettable moment for Zita Seabra.

Bicycling and Swimming

Party meetings, the Assembly of the Republic, and trips to her constituency in Aveiro provide Zita Seabra with more than enough work. In her spare time, she goes bicycling with her two daughters--Rita and Barbara--from her marriage to Carlos Brito and spends an hour or two swimming.

Reading, movies, and ballet--Zita Seabra almost became a professional ballerina--are the Communist leader's favorite pastimes.

As far as politics is concerned, Zita Seabra sticks to the official PCP line: the pact of silence. Even so, she is a Communist leader who is "different."

11798

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POLITICAL

SWEDEN

FUTURE ROLE FOR CENTER PARTY EXAMINED

Stockholm SVENSKA DAGBLADET in Swedish 31 Oct 85 p 2

[Article by Gunnar Andren: "Where Is the Center Party Heading?"]

[Text] In my opinion it is the Center Party in general and Thorbjorn Falldin in particular who possess the key to potential--potential--cooperation across the bloc borders until the 1988 election.

It is of course entirely possible that Olof Palme's thoughts do not run in any other grooves than to continue as during the years of minority rule 1970-96, the closest parallel to today's mandate position in Parliament.

What happened then, however, was--and the same thing was experienced to an even higher degree by the Liberal government in 1978-79--that parliamentary majorities were easily created for increased spending, while it turned out to be difficult either to save or in other ways to increase state revenue.

This was how the budget deficit--that pregnant word for excess spending--was created.

Out of those in the short run individually rather harmless increases in spending, in the long run we got a situation with a collapsing overall economy.

Only a government with a stable government foundation can manage to conduct a consistent long-term spending policy.

What are the party-political preconditions for creating a more permanent parliamentary majority?

It is easy to state that the Conservatives and the Liberal Party, which together strengthened their mandate position in the parliamentary election by a total of 20 mandates, have not the least ambition to assist the Social Democrats with continuous voting support. Besides the VPK--which in the long run perhaps is not much to lean on even for today's Social Democrats--there remains the Center Party.

Can the Center Party conceivably be interested in cooperation with the Social Democrats in some form, not necessarily in a government coalition?

If one is to try to deliver an at least acceptably good reply, albeit without claims of being all-encompassing, it is necessary to try to divide the Center Party along its more or less obvious fractions.

Three directions of intent emerge; the fact that certain Center politicians want to include or belong to more than one does not alter anything:

1. The General Non-Socialist Faction. The key figure here is the Center leader personally, with former Industry Minister Nils G. Asling as his foremost second. They value a non-socialist voter majority very highly, obviously not more highly than voting and mandate strength for their own party--but then no party politician does--but they place a change in the political majority above party profile.

The major change during the late 1960's and the early 1970's was the altered attitude of the Center Party toward cooperation with the Social Democrats. Clearly the most important factual issue for this altered Center attitude was the 1967 agricultural decision. It was perceived as a signal for battle against Sweden's farmers and as a blow in the face of the Center Party.

Simultaneously, environmental awareness grew within the Center movement, supplemented by efforts in regional policy and decentralization.

The party gravitated further and further away from the cooperative spirit of the 1930's and 1950's.

How strong is the general non-socialist faction within today's Center Party? That is difficult to know. In the wake of the election losses, however, there is reason to assume that there are many within the party leadership and the parliamentary group who are inclined to try something at least partly different.

2. The Environmental Faction. The party's second vice chairman Olof Johansson is considered to be its leader together with the leader of Line 3 from the nuclear power referendum in 1980, Lennart Daleus, as both competitor and complement. It is incontrovertible that there are forces which want to change the Center Party into a purely "green" party, but it is hardly likely that this faction can come up with a majority for its distinct one-issue program within the decisionmaking organs. On the other hand, it can certainly be anticipated that the political wishes of the environmental faction will be brought forward with increasing force in the years to come.

Which is Olof Johansson's personal attitude? That of the new party leader?

In Johansson's favor is primarily the lack of available opposing candidates. The fact that Falldin, if he decides to step down before the next election (which no one knows), is in no hurry to announce, may be due to his wanting to give his party room to find another successor besides Olof Johansson. In today's situation he would probably be elected.

Against him argues the fact that Johansson is considered by influential party friends to be encumbered with a serious inability to make firm decisions. This was particularly evident during the years in government. Further, it can be stated that in the city of Stockholm, Johansson's precinct, the Center Party is on the verge of being obliterated. Without the KDS [Christian Democratic Union] support it is extremely uncertain whether Johansson would have been found in the circle of members of Parliament after this year's election.

3. The Agrarian Interest Faction. It is indisputable that the Center Party gathers a large part of those who have direct or indirect ties to agriculture and forestry. This group, far more heavily represented in the Center leadership than among those who vote for the party, puts--no matter how much it is denied outwardly--material conditions above ideological scruples and obstacles.

The agricultural population today feels pressured by increasing costs and high interest rates, tax problems during generation changes, marketing problems for the products and a price squeeze from the consumers.

Just how strong is this pronounced interest group, the original core of the Center Party? That as well is difficult to know for sure. But it is obvious that the agrarian faction can imagine different political ways to progress than those indicated by strict bloc and environmental policies. The fact that the Center Party has appointed newly elected Scanian farmer Karl-Erik Olsson chairman of the Agricultural Committee is undoubtedly also an outline of the emphasis placed by the Center Party on agriculture and its practitioners. It is also a sign that the agrarian faction still holds considerable voting power within the Center Party.

Where does all this lead us?

As long as Thorbjorn Falldin remains as party chairman, that is how long the Center Party's profile will undergo no major changes and the preconditions for party policies to transcend blocs will remain insignificant.

The day Falldin steps down or otherwise no longer maintains his present influence, that day the fighting within the Center Party will concern not only who his successor will be, but also what political profile the Center Party is to have for the remainder of the 1980's.

11949

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POLITICAL

SWEDEN

SOCIAL DEMOCRATS POSITION, TACTICS EXAMINED

Stockholm SVENSKA DAGBLADET in Swedish 1 Nov 85 p 2

[Editorial: "Led by the Nose by Social Democracy"]

[Text] After the election loss the Conservatives are discussing the new liberalism. Grassroots people are writing long articles about the terrible outback policy. And leading representatives of the Conservative Coalition Party reply that the Conservative Coalition Party does not at all represent any new liberalism (Ingegerd Troedsson in DAGENS NYHETER on 30 October).

After its election victory the Liberal Party is devoting itself to discussions of social liberalism. Bengt Westerberg has taken a post-election trip and delivered speeches under the headline "Social Liberalism Returns."

Together the two parties pushed the Social Democrats back in this year's election. The governing party lost seven mandates. Nevertheless, Conservatives and Liberals are now holding discussions on the Social Democrats' terms.

It is Olof Palme who with the stubbornness of the drunkard has harped on the fact that the Conservatives are new liberals, and that for this reason they originate from some kind of Greater Swedish political affinity.

The prime minister has also struck the note for the discussion in the Liberal Party concerning the Liberal Party; it was Olof Palme who made the issue of the Liberal Party and social liberalism into a subject for political debate.

It might seem trivial whether Olof Palme or anyone else started the discussion. If it is important and interesting it should be carried on, of course.

But the discussion about new liberalism and social liberalism is not interesting. What is interesting is obviously what the parties represent in fact. Then people may label these opinion packages any way they care to.

It is pitiful that the two parties should have been lured into the Social Democratic debating trap. Because the discussion about labels carries the two parties away from the issue politics where they are strong and into a

metaphysical battle which is based on fuzzy concepts of dubious relevance to modern political conditions.

At the same time there are no watertight compartments between developing the issue politics and labeling the politics; the pseudo-debate about labels does not become harmless.

Because Olof Palme accused Bengt Westerberg of having failed to place social liberalism on the agenda until the end of the election campaign, Palme turned it into a object for Westerberg to prove that, indeed, he is and always has been a good social liberal. After that, Westerberg devotes himself to giving proof of this very thing, which in turn leads to his having become more reticent in his political stands.

It is similarly with the Conservatives. It was Palme who first maintained that it was the new liberalism which brought the Conservatives down. With that Olof Palme determined the theme of discussion for at least the public part of the post-election debate. Even people in the Conservative Party are becoming a little unsure regarding their own positions.

Olof Palme is of course worth all respect for his superior political cleverness. He practices magic with the political debate according to his own desires. His way of formulating problems is today of considerably greater significance for the internal debate of the Liberal Party than what is being said by the leaderships of the two parties themselves.

It borders on the incredible that Palme can perform his magic act without being caught. It was the Social Democrats who lost the election. It is also the Social Democrats who immediately after election day begin to abandon the political positions they have taken, if any were actually indicated during the election campaign. And it is the Social Democrats who lack both a map and a compass for the political orienteering during the coming mandate period. Nevertheless, it is the Social Democrats who determine the marching route for both Liberals and Conservatives.

Why does this occur? An answer has already been provided, and it is obviously somewhat humiliating for Ulf Adelsohn and Bengt Westerberg. Olof Palme is the far superior political tactician.

At the same time it may be said that it would have been surprising if this had not been the case; Palme's experience in the central political game dates back to the mid-1950's. And as prime minister or opposition leader he has found himself in the midst of every political storm which has blown up in Sweden during the last 15 years. With his experience Olof Palme ought to outclass his challenger when it comes to political tactics.

But it is likely that there is another explanation as well. The brief mandate periods confuse the eye. Politics are all too easily aimed toward the next election. Victory in politics becomes the same as grabbing power within 3 years. But the political process is slower than that. Although the power to govern can be captured in the next election, this does not mean that the politics are won in the same brief perspective of time.

If a party is to capture both the power to govern and a political mandate for changing political course, above all if such a change implies changes in the welfare state system, it takes more than 3 years. This more long-range process is presumably connected with both temporary setbacks and temporary advances.

Problems occur for a party that perceives a temporary setback as a final one; it is then extremely close to abandoning a long-range genuine policy, in the belief that the position can be consolidated in the short term by adjusting to the political middle.

But problems can also occur for the party which perceives a temporary success as a final one. For then the party might imagine that the future lies in preserving status quo.

In both cases new thinking ceases. The political development comes to a halt.

Frustration occurs easily in the necessary alternating consideration for the short-term and long-term perspective. It becomes easy for political opponents to manipulate a party's internal discussion. It is wrong to say that this is precisely what has happened to Conservatives and Liberals.

At the same time as Ingegerd Troedsson takes up the discussion of the Conservatives and new liberalism, she stands up for the Conservative policy that has been conducted; in the Conservative Coalition Party it is probably more the members and less the party leadership which have been caught with both feet in Palme's debate trap.

It is different with the Liberal Party. Its party leader must take into consideration that Palme's debate trap is not just Palme's. Until a few years ago it was established policy in the Liberal Party that one had to define one's standpoints in exactly the manner Palme is now doing.

Olof Palme, with a slight exaggeration, is playing Ola Ullsten's role. Hence, these signals are well-known within the Liberal Party. And far from all the Liberals find any dissonance in them.

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POLITICAL

SWEDEN

WESTERBERG VIEWS LIBERALS SIGNIFICANT INCREASE

Stockholm SVENSKA DAGBLADET in Swedish 4 Nov 85 p 8

[Article by Willy Silberstein: "The Wind Could Turn Rapidly"]

[Text] Bengt Westerberg takes the enormous Liberal advance in Sunday's SVENSKA DAGBLADET/SIFO [Swedish Institute for Public Opinion Polls] with a large dose of scepticism.

"We have received so much attention in the mass media after the election, the wind could quickly begin to blow from a different direction," he says.

The first SIFO poll after the election was published on Sunday, a measurement which indicates major changes in voter opinion.

It gave the following figures, with the election result in parentheses: Conservatives 19 (21.3), Liberal Party 23.5 (14.2), Center Party 8 (12.4), Social Democrats 43 (44.7) and VPK [Left Party Communists] 4.5 (5.4).

According to SIFO, Westerberg thus heads the biggest nonsocialist party. Only a year or so ago he had major problems reaching out to the mass media. This Sunday was hectic, with interviews and comments to scores of journalists.

"I thought that we might go up, but not this much," he says. "One result will surely be that our policies will be scrutinized more critically than before, something we are not at all afraid of."

"So far the Conservatives have reacted most strongly to our major gain. There is great disappointment among the Conservatives after the election, and they have not yet quite decided how to handle it. It would be unfortunate if we get a quarrel between nonsocialist parties," Westerberg says.

"The Liberal Party wants good relations with the Conservatives. The joint effort is for the nonsocialist parties together to conquer Social Democracy."

If the Liberal Party is the major winner in Sunday's SIFO poll, the Center Party is the loser. The party has never been so low in any poll.

"We are worried by the election result. On the other hand, we do not attach much significance to a single poll, especially not this close to an election. Then success usually breeds more success, while the losers get very poor figures," says Anders Ljunggren, information chief for the Center Party.

He is of the opinion that the party was too indistinct in the election campaign, and the Center Party was felt as too credible.

"We have appointed working groups to look at how to continue our politics. I believe that the Center's profile questions must be given greater importance. This means the environment, decentralization, energy and distribution policy. Conservative party secretary Georg Danell also was not particularly happy after the Sunday poll.

"A decline is something we must not accept, of course. The reason why we have lost votes is, among other things, that we Conservatives were exposed to such heavy attacks from the Social Democrats that it has become convenient for general nonsocialist voters to support the Liberal Party."

However, Georg Danell believes that the Liberal Party has "a few political knots" to untie in the future.

"This involves for example the tax issue, where the party only wants to lower taxes for those with higher incomes."

"We do not intend to attack the Liberal Party. But we intend to reply to their attacks and speak more about Conservative issues and less about the common denominator of non-socialism."

Leif Gustafson, press chief for the Social Democrats, does not ascribe any significance whatsoever to Sunday's SIFO poll.

"After SIFO's action in the election campaign, the institute has no credibility whatever," he says. "SIFO suddenly threw in an unplanned poll at the end of the election campaign and did a poll of major cities which did not agree at all with the election results."

"We feel this was because SIFO deliberately wanted to mislead the voters. On the part of the Social Democrats, we have started to examine the actions of the polling institute during the election campaign," Leif Gustafson says.

Kenneth Kvist, VPK's party secretary, does not believe that there is now a nonsocialist majority, as SIFO is showing.

"Nothing political has taken place that would motivate it," he says.

"On the part of the VPK we are discussing how better to get our policy across, although we do not think that Sunday's figure is any cause for concern."

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POLITICAL

TURKEY

USSR OFFICIAL SAYS BORDER AIRPORTS 'THREAT'

Istanbul CUMHURIYET in Turkish 28 Nov 85 pp 1, 13

[Article by Sedat Ergin: "Are Border Facilities Not a Threat"]

[Text] Ankara - In response to announcements by Soviet authorities that they are unhappy about the two new airports being built in Turkey in partnership with the United States, Ankara was content to recall yesterday that there are about 150 airports in the Soviet Union which could be used for military purposes against Turkey. Nikolay Kinayev, the under secretary responsible for Turkey at the Soviet Foreign Ministry, pointed out in a statement to our correspondent in Moscow, Ergun Balci, that the airports under construction at Mus and Batman could be used for armories and said they would not be conducive to peace and could constitute a threat to the Soviets.

We asked Turkish officials in Ankara for their views on these comments by Kinayev, who once served at the Soviet embassy in Ankara. They pointed out that the Soviet Union has almost 150 airports that could be used against Turkey. "These 150 or so airports do not threaten Turkey, so two new airports in Turkey are going to be a threat to the Soviet Union?" they said.

Colonel Geliy Batenin, deputy chief of the Soviet General Staff Office of Disarmament whom our correspondent Ergun Balci also interviewed, described NATO Commander General Rogers' proposal to fit nuclear warheads to 72 of the F-16 aircraft to be built in Turkey as a "serious threat." Turkish authorities said in response that "no decision has been adopted in this regard."

Colonel Batenin pointed out in a statement to CUMHURIYET that "attaching nuclear warheads to the F-16's will constitute a new nuclear threat for the Soviet Union." "Such a situation may destroy the balance in the southern Soviet Union and the southeastern flank of NATO. F-16's are very modern aircraft capable of carrying nuclear warheads. From this standpoint, we absolutely have to add such a development to the account," he said.

Turkish authorities made the following comments on these remarks by Colonel Batenin:

"The NATO Allied Forces Command in Europe (SHAPE) has made some proposals within the framework of the NATO nuclear modernization program. The study of what form the composition of the alliance's nuclear defense may take was

submitted to the NATO Nuclear Planning Group meeting held in Luxembourg last spring. Studies of SHAPE's proposals are continuing within the alliance and no situation exists as yet involving translation into the planning stage as regards our country."

While Turkish authorities are giving Moscow the message that "no decision has been adopted," circles close to the government in Ankara are reportedly unfavorable in general towards General Rogers' proposal to place nuclear warheads on F-16's. Reports carried by the press not long ago indicated that Chief of Staff General Necdet Urug opposes this proposal by General Rogers. No information was available on whether this was discussed during the chief of staff's visit to the Soviet Union 2 weeks ago.

Meanwhile, authorities in Ankara stress that "one must not lose sight of the fact that, in military plans and actions, Turkey is defense oriented." This stress by Turkish officials is interpreted in Ankara as a show of "reluctance" to have nuclear warheads with a capacity to strike the Soviet Union placed on F-16's.

What are the reactions in official circles in Ankara to statements by Soviet military and civilian authorities that they do not welcome Turkey's conventional modernization efforts and, in this context, the construction of new airports? Although they are not formally reacting to prevent engaging in polemics with the Soviet Union over this, they draw attention to the force ratios between NATO and the Warsaw Pact.

What the Turkish authorities refer to is a "force comparison" report published by NATO which reveals the following facts as regards the military "balance" between Turkey and the Soviet Union: The number of Soviet divisions ranged against eastern Turkey is 20. These divisions are equipped with 4,300 tanks and 4,800 artillery batteries. Twelve of these divisions, with 2,435 tanks and 2,735 artillery and mortar batteries, are based in areas close to the Turkish border. These divisions are also able to call in support by airborne, air assault and amphibious divisions. The Turkish army, meanwhile, has only eight divisions in the northeastern part of the country. Another four divisions, located in southeastern Anatolia and assigned to protect the long border, could be used in defense against the Warsaw Pact. NATO's southern flank has a total of 4,000 tanks and 4,600 artillery batteries in Turkey and Greece. In comparison, the Soviets have 11,000 tanks and 11,300 artillery batteries.

8349

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MILITARY

AUSTRIA

CONSTRAINED ARMS PROGRAM TAILORED TO AREA DEFENSE CONCEPT

Vienna TRUPPENDIENST in German Oct 85 pp 496-505

[Article by Gen Othmar Tauschitz: "The Rearming of Neutral Austria"]

[Text] At the end of the 1970's, the area defense concept addressed a defense system which is tailored to Austrian conditions and not intended for export to other countries. "Addressed" means that its realization has been ongoing since then and, in accordance with the data contained in the country's defense plan, will have reached its first partial fulfillment stage in 1986 in the form of an intermediate step.

This means nothing more nor less than that, starting at that time, a certain realistic defensive effect as outlined in the new area-spanning system of total in-depth staging will first be given in the operationally significant areas. As we know, the anticipated result is to be a deterrent effect.

Meanwhile, planning for the subsequent period is in full swing and the organization of the year 1994 with its approximately 300,000 troops, is largely already set.

The expansion of the Army specifically began in 1979 with the justified assumption that the necessary means for the established units would be made available on a supplemental basis. In the following years we were forced to recognize how little flexibility exists in the budget numbers. In view of this budget ossification, we had to find the courage to continue the development which had been begun with provisional measures of all types until such times as the knowledge that a militia system also costs money began to take hold among the politicians.

The troops are aware of these provisional measures and will have to cope with them for some time to come! But this brings us now to the topic which is to characterize this contribution:

The Necessity To Catch up in the Armaments Area

First, let us establish that the acquisition of usable armaments products is not only connected with costs, but also requires time. Consequently, it would be unjust to lay all existing bottlenecks exclusively at the doorstep of the

budget. Armaments products are not purchased from the bargain basement. Many must be adapted to specific Austrian conditions, some need to be developed. The latter is necessary particularly in the case of innovations by domestic industries whose capacity is, after all, supposed to assure us of a certain independence of foreign sources.

Experiences in the last few years have resulted in the unpleasant finding that preliminary planning target times only apply in extremely rare cases. As a rule, it takes twice as long as one has assumed or even longer until an armaments product can be delivered to troop units in troop-ready form.

By "troop-ready form" one understands full functionality in all types of weather at any time of year as well as handling ability by militia soldiers; and this, generally, requires testing in summer and in winter.

This causes additional difficulties for those responsible for procurement who must convert the sparse funds into armaments products within an acceptable time limit without neglecting quality.

Our materiel structure planning is set down in a 10-year investment program and, since outside of the annual budget there is no legally binding basis for it in the federal administration, has the essential character of a preview of the monetary requirements for the financial area as well as having the character of an intradepartmental planning base. Individual budget proposals must be fought for year after year and, usually, end up reduced in comparison to the wish list submitted. This circumstance, but also other unanticipated planning and procurement events, makes it necessary to subject the investment program to an adaptation process every 2 years. Regardless of this fact, however, it represents an essential orientation aid for military planning without which we would be at the mercy of chaotic happenstance.

The uncovering of scandalous cases in the public administration or in its institutions has, in recent years, led to the "excess regulation" of the allocation system which no longer makes it possible to use up the budget allocations within a specific season of the year. With the introduction of the accompanying controls which were imposed by the various ministries ahead of the audit office, a "control overkill" has arisen which results in the dominance of control over requirements and which assigns responsibility to the procuring sections but sharply reduces their decision power. As a result, at the end of every year there is an unbearable competition against time so as to be able to still bring in that which is contained in the detailed summary of the budget proposals for the current year and which is so urgently needed among the troops.

We have made some progress in our search for ways out of this dilemma and will--hopefully with early success--either have to adapt our working methods to the guidelines or we will have to change the guidelines.

Rearming and the Threat

In military parlance, there is no distinction between acute and fictitious threat. Since armed forces cannot be brought into being in a short period of time, we are compelled to create them as best we can in the long term--even without the presence of an acute threat.

The question as to what type of armaments the armed forces of our neutral Austria should have, however, is not only dependent upon the threat picture, but also depends on our possibilities. Since we began at zero in 1955, we have no weapons inventories like other nations created after World War II under pressure of the then virulent "cold war." When General Spannocchi reversed the helm in the 1970's, he knew precisely that we would never be able to catch up and looked for other possibilities. The theories of "small stitches" and the idea of "running under technologies" have a seductive sound and certainly have something going for them; unfortunately, the general gave us no recipes but only the idea, and that was, in and of itself, a sizable performance. We should now start to convert the idea to reality.

Sufficient Tanks

Whoever deals with armaments products on a daily basis knows the rise in costs in the area of technologically high-quality products for the equipment of mechanized troops which have occurred. In comparison with the consumer price index, applicable to the market basket, costs have roughly doubled and, not too infrequently, also tripled.

When our Federal Army will have completed the purchase of tank destroyers, including the final purchase of 48 such combat vehicles, it will have more than 1,000 armored vehicles at its disposal. The introduction of new weapons systems, such as, for example, the Swiss Army's procurement of "Leopard 2" tanks, will likely not be bearable in our case during this century. At present, we are engaged in modifying the available inventory to meet the requirements of the future battlefield and we are primarily concentrating on the area of ammunition.

How much can be obtained from modifying ammunition is proven by the successful conclusion of our efforts to develop an arrow projectile for the "Kuerassier" tank destroyer together with the Ennstal Metalworks and the French armaments industry. Incidentally, a question to be answered by future development is how long, considering our given budgetary and topographic situation, it will still be purposeful to participate in the competition to defeat the constantly growing frontal armor [on combat vehicles]. If it becomes necessary to first defeat the active armor with high-explosive ammunition and then use shaped charges or arrow projectiles to defeat the remainder of the vehicle, then the concept of future tank combat becomes so complicated that one must ask the question whether the famous Clausewitz saying that "in war, only the simple has any validity" has been completely forgotten or sacrificed to the technical inventor spirit. Our leadership will have to put its imagination to use in order to solve antitank defense within the tactical area instead of running after the wonders of technology. The latter includes, among others, the desire for a 12-cm-caliber tank gun.

Tanks as Mobile Bunkers

Thus far, we have built several hundred combat bunkers all over Austria and are in the process of doubling the density of this defensive network. Experience has taught us that the path from the geographic slide via the acquisition of the land through the construction of a facility is too long and results in a constant slippage of the planned defense readiness.

Apart from that, the permanent location already confronts the tactician today, here and there, with problems because either new findings with respect to defensive tactics or the blocking of the field of fire by industrial construction are in the position of no longer letting many a permanent location appear to be as ideal as it was. Furthermore, the creation of a "center of gravity" position by the defender contains the contradiction which states that the law of action is generally on the side of the attacker.

It was more than 10 years ago for these very reasons and again at the initiative of Gen Spannocchis that a system of bunkers for supplies ("concrete eggs") was considered, was later altered into a finished parts system, and, finally, because of technical difficulties, was again shelved.

Through a stroke of luck, we have now been successful in acquiring a substantial contingent of obsolete "Centurion" tanks at a particularly favorable price in order to utilize their turrets with their high-capacity guns for installation in permanent facilities. However, since a tank offers virtually the same protection as a concrete bunker, the maintenance of a number of such tanks--to a certain extent in the form of "rolling bunkers"--might well be the most immediate solution for this problem. This is primarily so because even concrete bunkers are expensive and show the disadvantages of geographic permanence. I would not wish to be misunderstood: These are not to be mobile combat formations, whose organizational and training requirements are exponentially higher, but rather rolling bunkers which can be employed in a short period of time over small distances in areas where they are certain to be employed.

Combat Value Increase of Armored Infantry Combat Vehicles

Our armored personnel carriers have been the subject of a modification project which is designed to assure their continued use through the next decade. The project particularly involves the replacement of the obsolete steering mechanism with its brake problems by a stick shift or automatic transmission.

In the meantime, armaments planners and users are considering whether it would not be more sensible to use the money planned for this purpose to rather equip a portion of the 460 armored infantry combat vehicles with machine cannons. I fully support an upgrading of the combat value [of these vehicles] but I also feel that both things should be done through reshuffling of funds elsewhere and they should be done immediately!

Tank Defense Over Short Distances

Our planning foresees the new introduction of the one-man throw-away weapon of the "antitank tube--lightweight" category, which has been adapted to the increased requirements, to be followed by procurement of a troop weapon of the "antitank tube--heavy" category. In view of the physical stress upon the operator, action freedom and employment possibilities from enclosed spaces is being promoted. Since this weapons system is currently used in training, it should be of particular interest to domestic industry to develop an appropriate product. A design which is appropriate is being created.

Security for the Infrastructure

It is uncontested that the priority in defensive combat, measured in terms of the status of armaments surrounding us, continues to lie with antitank defense. However, we should not overlook the fact that conflict in the sense of war being a continuation of policy is more and more frequently shifting to the subversive area and using other means. Action groups of the most varied type exist in almost all democratic nations and can threaten everything and everyone. It would appear that inexhaustible quantities of weapons and explosives are at the disposal of the underground forces to be used with the motivation of using force as a means of expression of frustration all the way through the joy in killing. Their employment requires only purposeful control from without and also from within. This has to focus our attention to the maximum extent upon the protection of important objectives--to an extent greater than has been the case hitherto. What use are the best tank formations and bunkers when their fuel depots, ammunition supplies, and important parts of the infrastructure can be disabled? This consideration would have to lead to the final conclusion that we need more guard companies than are currently planned.

Fire Support

With respect to mortars, the need for catching up is more substantial. In the effort to employ this effective and relatively simple to use form of firepower more widely, mortar platoons will be expanded from four to six mortars. The planned procurement will have to overcome not only the existing need for catching up but also take care of a substantial increment. With respect to medium-size mortars, we were successful in having our domestic industry develop a suitable product whose demanding testing by the Office for Military Equipment and by the troops will now also hopefully bear fruit in the export market. The quota for Austria is being delivered. Prototypes of heavy mortars are currently being tested and it is to be hoped that they will enjoy the same success as their lightweight predecessors.

Self-Propelled Artillery or Drawn Artillery?

With the introduction of electronics, including radar, in the fire control systems of artillery components it became possible to determine the position of enemy batteries by radar acquisition of a sector of the projectile trajectory.

The application of computers will make the launching of counterfire possible after a few minutes. This makes the flexibility of the fire unit into a question of survival with the improved shrapnel distribution and the precision of electronic proximity fuses which are currently on the market and which represent supplemental danger for gun crews, having to be taken into account.

In response to this, the proponents of modern drawn artillery, as represented in Austria by the highly capable GN-45 "Noricum" gun howitzer, claim that the above disadvantages can be overcome by greater range, which can be used to evade enemy counterbattery fire, and by a 30-km/hr mobility of the artillery pieces. This may be applicable to large areas or to level territory. In our territory, position selection is rendered substantially more difficult if not occasionally impossible. Consequently, it will remain our effort to request that the three artillery battalions, which are planned to be reinforced artillery units, with self-propelled guns.

New Ammunition or New Weapons Systems?

The search for new types of ammunition can be determined to be worldwide and is clearly the consequence of the fact that new weapons systems are ever more difficult to finance. This is primarily true of all weapons. In the area of indirect fire weapons, mention should primarily be made of final-phase guidance projectiles and cannister ammunition (daughter projectiles), which are already available in series production for mortars and 155-mm guns. Daughter projectiles with final-phase guidance are being worked on. These weapons systems not only expand their effect but also their application spectrum (for example, against tanks at great distances). Even though the costs of this type of ammunition are enormous, their employment is basically a way out of the competition between frontal armament and armor-piercing weapons, which has approached the limits of doability, because they impact from above and strike with accuracy.

Marginally, let us refer to the unfortunately frequently neglected secondary role of the tank as light artillery. In an emergency, the "religious wars" regarding the ideal weapon for a specific purpose, tend to cease. One shoots with what one has!

In an emergency, tank guns can provide enormous supplemental fire support over distances up to 8 km (tank destroyer "K") or 12 km (M-60, "Centurion").

Mines Against Infantry and Tanks

Mines are barrier devices and, consequently, classical weapons to be used by the defender. Consequently, they occupy a priority position in the arsenal of the neutral.

It is proven, but also a little-known fact, that antipersonnel mines of the pressure type, as they have been used thus far, have little effect. There are armies which dismantle the fear of their soldiers with regard to crossing mine fields by replacing the pressure mines with harmless smoke capsules and thus demonstrate that the effect is more psychological. They have found that if a

company of men runs through a mine field taking the longest possible steps that a maximum of two to three capsules can be detonated.

Our Federal Army has, in the meantime, introduced the substantially more effective horizontal infantry mine which, through its fan-type effect, can cover a substantially greater amount of space with a high degree of effectiveness. This is a product of Austrian industry which is already being delivered and which also has substantial chances for being exported.

The next generation of antitank mines is still in the testing stage. They are triggered not in the active mode, like the horizontal antipersonnel mine, by the attacking tank itself which, in the past, had to detonate the mine through the pressure of its own treads. Since the width of the treads only represents a fraction of the width of the tank itself, the required density of the mine field was too great which, in addition to the costs of the material, required much personnel, transport space, and, primarily, time.

In the search for a mine which would be effective across the entire width of the tank, several technologically different systems were discovered, ranging from a simple rod trigger, to electromagnetic ignition through a type of radar ignition which uses an active electronic sensor to scan the arriving object and only reacts when the signal sequence corresponds to a previously input logic (for example, leading edge, first, second, third road wheel). A special frequency coding secures it against deception, an advantage which is not available with any other system. Adjustable to a specific reaction time, the mine can be picked up without risk and reused after the expiration of the pre-set reaction time.

Nevertheless, on the basis of the previously mentioned citation from Clausewitz we should thoroughly consider which type of technology is appropriate for our conditions and, above all, what price tag is attached to high technology because it is almost always connected with follow-on costs. In the final analysis, since batteries do not have an unlimited shelf life, these costs involve at the very least the storage and replacement of batteries.

Other armies also use horizontal antitank mines which are hand-triggered from lateral positions. Resourceful technicians (also in Austria) have been working on the design of an automatic seismic-acoustic trigger for such mines, whose purpose was the obviation of the need to hand-trigger the device--albeit thus far with little success.

Mines, including the most varied placement systems, are extraordinarily effective, relatively easy to handle and, consequently, militia-specific defensive devices whose purpose is primarily the gaining of time--something which given our area defense philosophy, based on hindering, is of particular significance. This area still has substantial development capacities with respect to our Federal Army and our armaments industry.

New and Old Assault Rifles

In the area of hand-fire weapons, including machine guns, our requirements have been satisfied. Once the currently introduced procurement of the Model 77 assault rifle and the currently ongoing deliveries of the sensationally successful Model 80 pistol, developed by the Austrian Glock, have run their course, an adequate number will be in the inventory. The soldiers of the Federal Army will then be equipped about 50 percent with Model 58 assault rifles and Model 77 assault rifles and this is a status which should remain for now. Mountings for the Model 78 field knife are being tested with respect to both assault rifle models as a self-protection weapon.

Even if one recognizes the fact that the 150,000 soldiers equipped with the older model assault rifles could feel disadvantaged, one must not overlook the fact that the Model 58 assault rifle is a good and still usable weapon and that other procurements have turned out to be more pressing.

Model 75 Field Uniform and the Old-Type Combat Uniform

Only he who can dip from a full bucket can permit himself to discard the old with the introduction of a new uniform system which, to a certain extent, reflects a hard cut. We are not in this situation and we would not have done our textile industry a good turn if we had resorted to imports at the time we were introducing the Model 75 field uniform which turned out to be beyond the capacity of our textile industry. A continuous set of orders is more beneficial to securing jobs than an irregular burst of orders. Currently, some 90,000 men of the Landwehr are still equipped with the old-style combat uniforms and it will presumably be beyond the year 1990 before the Federal Army will be uniformly clothed.

With the some 400 million schillings which are at our disposal each year for clothing and personal equipment, we will have to take care of primarily the second pair of boots for each soldier, as well as an inventory of watertight boots, in addition to the increase in the continually growing requirement for supplemental clothing, based on the expansion of the Army, as well as replacement clothing.

Back to Personal Armor

The cadence, accuracy, and muzzle velocity of modern hand-fire weapons, but primarily the already mentioned effectiveness increase of modern artillery and horizontal antipersonnel mines endanger the unprotected combatant to an increasing degree. It is possible that the "bulletproof vests" of the police favored considerations which have led to the development and introduction in several armies to shrapnel-protection vests. Since a soldier can only protect his fatherland so long as he is himself uninjured, we are well advised to do the best we possibly can for his personal protection. Consequently, we looked around in the world market and have ordered a quota of 1,000 shrapnel-protection vests from 3 different countries; these devices will be tested this year. These are vests of multilayer plastics which absorb the impact energy of shrapnel and infantry projectiles through offering elastic resistance and

which reduce a life-threatening danger of injury to a hematoma or a light wound. The weight and length of such jackets correspond to the compromise between specifically required movement capability and strived-for protection. An antiaircraft gunner who sits on the gun can be protected differently (better) than an infantry soldier who must carry the weight of the flak jacket in combat. Naturally, this additional protection does not represent any absolute survivability assurance for the individual. It is, however, a fact which is documented by actual experiences in theaters of war that average losses can be heavily reduced. Also, the cost in comparison to medical care and sometimes life-long follow-up care is virtually negligible.

First, following appropriate testing, priority protection is to be provided for those fighters who must handle their duties in the open, that is to say, gun crews of drawn artillery and those unarmored antiaircraft gun crews. Then, other arms of services such as motorized riflemen will follow. Naturally, in doing so we shall try to let domestic industry do the work either on license or through native development.

From the Steel Helmet to the Combat Helmet?

Our Federal Army currently has more than 280,000 steel helmets of American design, including a fitting supply, which were manufactured in Austria. For the same reasons which led to the introduction of flak jackets, new helmets are already on the market which, because of their multilayer plastic construction, are no longer designated as steel helmets but as combat helmets. One of the most advanced products is the American Model "Fritz," but there are also other models. The helmet is called "Fritz" most likely because it has that characteristic cutout in the area of the eyes which was, at one time, peculiar to the German helmet, which made possible an elongation of the lateral protection of the head.

Unfortunately, "Fritz" has almost the same dimensions as our current double helmet and this has its reasons: It is certain that a lightweight plastic can be found which can resist an impact of a projectile better than steel; yet the velocity of today's splinters and projectiles cannot be ignored. Since the velocity is not linear but is squared with respect to the energy formula, sufficient mass must be present to catch the impact force, otherwise the latter will have an effect on the vertebrae. In other words, if the shot to the head is to be replaced only by a broken neck, one can hardly speak of meaningful progress.

The problem is currently being studied on the basis of several samples--including one Austrian sample; a prognosis with respect to the introduction of this device, which is also connected with the question of financing, would be premature at present.

Medical Support--Bunkered First-Aid Stations or Medical Tanks?

The fortuitous circumstance of a long-lasting peace in which no war wounds occur can mislead one toward neglecting the mission of medical support in favor of other assignment areas. The soldier has the right to know what happens to

him if he is wounded. This certainty not only influences the dismantling of fear but also the establishment of motivation. The well-known picture of a soldier who carries his wounded comrade on his shoulders should serve us as a guideline for all of our medical support. Medical support consists of making available facilities, equipment, and medicines--in other words, medical-material support--on the one hand and medical care for the individual, medical treatment, on the other hand.

Our medical concept is present in usable increments; however, it is far from adequate. It is likely that here the need to catch up is the greatest and, for that reason, I immediately began efforts in this direction after taking over Section IV.

Building on the ongoing fulfillment of troop first-aid equipment on the basis of a good concept (annually, some 150 million schillings are spent on first-aid equipment at all levels, ranging from self-help equipment to first-aid instrument packages in units and formations), which is worthy of recognition, some problems at higher levels remain to be solved. These include the question of coordination with civilian hospital organizations and some significant problems in the Federal Army area.

A substantially advanced project, which is based on the establishment of up to 30 bunkered troop first-aid stations in key zones, had to be turned back because it proved to be too expensive. The purpose of these "first-aid bunkers" in the combat zone area is medical first aid and the establishment of transport capabilities. This requires the provision of wards and operating rooms in secured positions.

Whereas the healthy combatant can protect himself to the extent possible with his self-protection equipment against NBC threats, the wounded soldier who is likely at the border of survival, is, for the most part, not in the position to do so. Consequently, general NBC protection for these facilities cannot simply be neglected. If, however, one places the previously mentioned purpose of this facility in first place, then it is undoubtedly overshadowed by the need to evacuate the wounded as rapidly as possible from the field of battle with its omnipresent intensive fire effect to the area of rear medical facilities. In this area, before spending 1 billion schillings of federal funds, we should, on the basis of a cost-effectiveness analysis, check once more to see whether more armored first-aid vehicles would not be more meaningful than the construction of bunkers for which, basically, the same rules hold true as had been mentioned previously for bunkers in general: they are expensive, will be here 100 years hence, and then will most likely be in the wrong place.

Austria has two prototypes of wheeled armored vehicles which, among others, can be considered as first-aid tanks. Additionally, a project is being followed which has as its objective the splinter-protected first-aid "Pinzgauer" vehicle, as well as some cost minimizing. However, the problem of such projects consists in the fact that they extend over several years until they are ready for introduction to the troops and are accompanied by the risk that they will end without success or will, nevertheless, be too expensive. In my opinion, one should, therefore, concentrate on that which is available.

It would be possible to write a contribution equal in volume to the present work with regard to the first-aid concept. For reasons of space, I must limit myself to a few selected topics and I gladly leave additional testimony to the initiative of qualified specialists.

To Ride or To March?

The need to catch up in the vehicle sector is enormous. In addition, there is a mass of civilian vehicles of all types which, in case of an emergency, could be used by the military. This could have been, consciously or unconsciously, the reason for the fact that procurement of military vehicles has always remained limited to an absolute minimum. It was only after the pain threshold had been crossed that that which was most necessary was done.

In principle, the vehicle inventory in peacetime serves for training purposes, including all exercises and maneuvers as well as to master all necessary real transport missions. For these missions, a specific inventory (some 15,000 vehicles of all kinds) are listed in organizational plans but we have not approached this inventory and will most likely never completely attain it.

Since the total volume of this catch-up requirement is so great as to make the project "airspace monitoring aircraft" appear to be modest, considerations must be initiated with respect to how else this can be dealt with.

To march instead of to ride can cost valuable training time and is, as a recipe, not acceptable without exception. Nevertheless, a considerable share of comfort is present in the system which the planners must identify--beginning with the system and ending in organizational plans which are, after all, the foundation of our procurement system. And by the way, the question arises as to how we will pay for it?

Telephone, Radio, Teletype, Picture and Data Transmission

The processes by which one can transmit information have become multiple and extensively determine the course of our daily lives. Why should things be different with respect to the Army?

Our efforts to integrate the above functions in an automated telecommunications net with a great degree of failure security, with automatic circuit searches, with identity and priority routing led to the very ambitious Project IFMIN-80 which, in addition to the otherwise considerable requirements of the telecommunications service, would have been too expensive. Consequently, it was necessary to throw all the requirements of this type into one pot and to subject them to a sensible type of measurement. The results are available in concept form and will presumably be tackled in 1986. In addition, the renewal of our troop telecommunications facilities is being performed incrementally in adaptation to IFMIN-80, such as, for example, the procurement of shortwave radios with their appropriate encipher sets, and much more.

In view of the order of our magnitude, we will not soon--if at all--be able to approach the so-called C³I ("Command/Control/Communications and Intelligence")

System) which looms on the planning horizon and which has as its objective the substantial automation of data evaluation in the command area.

Ammunition

The problem of increasingly better and, thus, also more expensive ammunition inventories involves not only acquisition costs but also consumption rates. The golden rule which measures the relationship between an adequate supply and current consumption within the framework of training is very difficult to find unless one has the opportunity of selling obsolete inventories in sufficient time before their expiration. This is very difficult for us since we cannot sell in war areas in which these munitions are used. Consequently, we are compelled to calculate our supplies with particular care.

With the expansion of the military, our ammunition supply will be increased by some 1,000 tons per year and the appropriate storage space will also have to be created. Planning in this regard is on file.

Modern Firing Facilities Save Training Time

A modernization program for our firing facilities, which has been ongoing for several years, has largely removed the picture of the rifleman waiting in front of the firing stand. Electronic indicators and electrically controlled targets facilitate a substantial increase in the capacity of firing training. However, there is a natural increase in housing or shelter needs at training facilities which must be satisfied by accompanying construction measures. The forest camp at the troop training facility at Hochfilzen, which is currently under construction, is a typical example.

The introduction of special training firing devices for 5.6-mm, 7.62-mm, and 12.7-mm small arms in the various garrisons is supposed to be able to save training costs and siphon off a part of the practical firing training from the firing facilities.

Night Combat Suitability--Cheap or Expensive?

As a rule, combat used to begin with the first good shooting light, shortly preceded by artillery preparatory fire. Then, efforts were afoot to create an advantage by being able to see in the dark with the aid of technology. This began with tracer ammunition and ended with infrared night-vision devices.

Beginning with the first active infrared night-vision devices and continuing with residual light amplifiers, one finally arrived today at the still very expensive infrared picture devices which are not only capable of turning night to day but also of penetrating fog, smoke, and dust clouds by day for short distances. If they were not so expensive, they would have replaced all optical devices by now; in comparison with optical devices, their pictures use the heat radiation spectrum as an information carrier in place of the frequency spectrum of light--the former is much less susceptible to electromagnetic interference in dirty atmospheres, ignores darkness, and presents more information. In addition, there are the standard illumination devices which can be

fired as alternative ammunition from available weapons or from special firing devices, the simplest of which is likely to be the Very pistol. Lamps and searchlights are only mentioned marginally, a special role is played by battlefield radar.

A thorough study by armaments planners has brought forth a night-vision concept which, while strictly conservative with respect to costs, contains the best possible combination of all components for appropriate use and which would come close to costing 1 billion schillings in investments and be commensurate with medium-time procurement. The concept particularly weighed the advantages of pyrotechnical, optronic, and electronic means carefully against each other. One can characterize the results as a significant performance adapted to our conditions.

Electronic (Automated) Data Processing--EDV/ADV

In contrast to the civilian sector, we had to stay with the designation of EDV (electronic data processing), because in the defense establishment the abbreviation ADV was already assigned to the definition "general service regulations" (Allgemeine Dienstvorschriften--ADV).

Future planning in this area is essentially characterized by the following:

- i. Our personnel have become familiar with the handling of electronic data processing and have facilitated extensive decentralization and, thus, a higher degree of effectiveness.
- ii. In certain areas, information systems are being upgraded to processing systems, which means that, in some areas, they can also handle logical administrative procedures.
- iii. Office automation helps to save time and makes the mastery of growing administrative work volumes possible with approximately the same number of people.

The center of gravity projects over the next few years involve the DAVERS-II logistics processing system with its decentralized structure, an office automation system for the Army Administration, which is being pilot tested and the merging of partial systems into a military information system. The first considerations for making the frequently still permanently installed electronic data processing systems mobile are under way.

The rising share of electronic data processing in all weapons systems is mentioned only for the sake of completeness.

Simulators

Realistic training of all types not only costs too much time and money but is primarily weather-dependent and, in many cases, does not permit the confrontation of the soldier with certain crisis situations for security reasons. These disadvantages can be more or less overcome with simulators, depending on

the system involved. It is no exaggeration to claim that a good simulation is frequently more realistic than a real situation training problem. But it is a fateful error to believe that simulators can simply be introduced into the customary training system. Moreover, when one introduces simulator training one must reorient the entire training system, otherwise one achieves only partial success which does not amortize the costs to the extent hoped for.

Currently, an antiaircraft training simulator is on order, firing simulators for tanks and antitank weapons are under development and in the planning stages. Nevertheless, in doing all planning, one should see to it that simulator training should not replace live ammunition firing.

Airspace Security--Air Defense

The struggle surrounding the airspace surveillance aircraft is still too real in the memories of all Austrians; there is, therefore, no need to retrace it.

It is likely that since the inception of the Federal Army, there has not been a project which has triggered so much paper printed, for the most part with unobjective, self-interest-oriented but here and there also objectively correct expressions of opinion. The result is modest enough but at least positive. A pleasant side effect was probably unwanted by its opponents: their pressure was instrumental in forming the Bundesheer inwardly.

In the meantime, we are intensively occupied with concentrating on the operational and technological mastery of the "quantum leap" in the supersonic area and we barely perceive the aftershocks anymore. Once the machines, whose general overhauling will be participated in by our key personnel at the manufacturer's plant, are installed, a sense of uneasiness will be lifted from thinking Austrians because then anyone who wishes to intrude into our airspace illegally must, at the very least, bear the taint of using force against a neutral (who is always in the right). This is a circumstance which takes on considerable significance today, not only in international law but in the current world policy practices of other states.

In the area of air defense, we continue to be limited to using guns with calibers of up to 40 mm. The design for a new antiaircraft tank is on the back burner for reasons of costs. When one contemplates that three batteries of a top product which is on the market today cost twice as much as the just now ordered airspace surveillance squadron and that the downward adjustment to a cheaper system would be considerably detrimental to the cost-effect considerations, thorough rethinking is appropriate. With respect to the air defense system using 35-mm-caliber weapons a modification calling for the replacement of worn-out components while, at the same time, increasing the weapon combat value is being examined. An upgrading of Air Defense Battalions 11, 12, and 13 by rearming the second batteries from 2-cm weapons to 3.5-cm guns is being promoted.

Precision Weapons/Guided Weapons

In a comprehensive overview such as this, it is beyond imagination to evade the topic of "guided weapons" even though, here and there, this leads to some annoyance. Five nations, whose peace agreements contain identical language on this point, have introduced them. And neutral Austria is not permitted to do so?

Whereas with respect to antitank defense, possibilities still exist to at least partially compensate for shortages by switching to new ammunition and new procedures, the situation with respect to air defense is barely tenable. Since we military authorities know whereof we speak, and since we are coresponsible for our soldiers, our testimony must occupy an appropriate position in defense policy. Our presentations as to how many of these of the purest of all defensive weapons we require are on file.

Cruise Missiles--To Shoot Down or Not To Shoot Down?

Under this headline, the Swiss--Corps Commandant Wyler and air agency director Kuenzi gave noteworthy testimony in March of this year to the publication WELTWOCHTE dealing with the dilemma confronting the neutral in shooting down a cruise missile carrying nuclear weapons. In responding to the postulation that "...no one should be compelled to do anything that lies in the area of the impossible," it must be pointed, in support of Sweden and Finland that: a shootdown must not necessarily result in the detonation of the nuclear charge. The missile will be shot down over our country one way or another, either by us or by others. However, what is decisive is the fact that Europe has a substantial number of manned jet aircraft which are also nuclear weapons carriers. How does one wish to differentiate here? Was the problem thought through to the end?

Fighter-Bombers or Helicopters?

When one considers that Iran and Iraq are today firing artillery rockets at each others capital cities, the concept of wartime operations at the well-known Austrian airfields becomes ever more difficult. Even if the means were at hand to do like Switzerland and bury them underground, the traffic surfaces nevertheless remain exposed. With the projected launching of the Saab 105-Oe in the 1990's, we should not even consider ordering more fighter-bombers and should concentrate on antitank helicopters which, like a "migratory bird," are essentially independent of the permanent infrastructure.

Final Remarks

The present contribution would have become too long had I attempted to treat the equipment of our Federal Army in its totality. The specialized and authoritative officers and officials, who are also my coworkers, have sufficient room to do so in the columns of the specialized literature. I merely attempted to draw together a number of thoughts on the most important questions into a complete and understandable picture which I had personally acquired over the many years of my planning activity in contact conversations with

exponents of other armies, not only in the official sphere but primarily also in confidential table talks. It is not sensational but it is characterized by the reality consciousness of an Austrian whose alert eyes have seen that other more costly armies are also not as perfect as they are depicted in the literature. We should not let ourselves be distracted from continuing on our path.

But the contribution was also intended to point out that our hand-tailored defense concept needs all the necessary weapons and combat means--from domestic production insofar as possible. Without these, our soldiers would be unprotected at the mercy of any aggressor.

5911

CSO: 3620/148

MILITARY

DENMARK

GOVERNMENT, OPPOSITION PARTY LEADERS CRITICIZE CARRINGTON

Copenhagen BERLINGSKE TIDENDE in Danish 20 Dec 85 p 7

[Article by Thorkild Dahl]

[Text] Lord Carrington, secretary-general of NATO, criticizes Denmark for going its own ways within NATO. The minister of defense points out that differences of opinion are bound to exist among free countries, and both Bjørn Elmquist of the Liberal Party and several opposition politicians criticize the style chosen by the secretary-general. The special security policy committee of the Folketing will discuss the question at a meeting to be held in Brussels in February.

Lord Carrington, secretary-general of NATO, will be placed in the dock when the special security policy committee of the Folketing arrives in Brussels next February, and the spokesmen of the security policy majority of the Folketing demand an explanation for the unusual and direct criticism on the part of the secretary-general of the Danish security policy in a speech yesterday in the West-German town of Karlsruhe.

Lord Carrington spoke to West German army staff officers, criticizing directly the security policy line taken by the Social Democratic Party, the Socialist People's Party, the Radical Liberal Party and the Socialist Left Party, contrary to the wishes of the Danish government.

"Problems arise when the majority of the Danish Folketing takes steps to dissociate itself from elements of the allied strategy," Lord Carrington, secretary-general of NATO, said, adding that, by dissociating itself from the joint strategy, Denmark may risk having its own interests disregarded within the alliance. Less weight may be attached to Danish positions, which, actually, may be disregarded.

Minister of Defense Hans Engell (Conservative Party) tells BERLINGSKE TIDENDE that the speech by the secretary-general may be viewed as reflecting concern that a breach of the solidarity within the alliance may weaken it at a vital point of time.

The minister of defense adds, however, that "NATO's secretary-general should be the first one to recognize that, within an alliance of free countries, differences of opinion may exist," and "I do not quite understand Lord Carrington's statements on the Danish nuclear arms policy."

Bjørn Elmquist, Liberal member of the temporary security policy committee, says that he agrees with Lord Carrington in his evaluation of the footnote policy pursued of recent years by Denmark, but Elmquist does not consider it wise for an international official to rebuke parliamentary majorities.

"In the first place, it is a question of national matters, and he, therefore, will have to respect the decisions that have been made. In the second place, Lord Carrington risks that his statement may have the diametrically opposite effect of the one intended. He risks that the majority may become more stubborn, refusing to listen to sound arguments," Bjørn Elmquist says, drawing a deplorable parallel between Lord Carrington and his predecessor, Joseph Luns.

The security policy majority, too, finds it unfortunate for Lord Carrington to have taken the same line as the controversial Joseph Luns, who did not hesitate to criticize sharply the political lines of the individual member countries when the politicians concerned chose a different course than the one deemed the correct one by Joseph Luns.

"I should find it most deplorable for Lord Carrington to become another Joseph Luns. He has not done NATO a favor with this," says Lasse Budtz, security policy spokesman of the Social Democratic Party, adding that he is not certain that, from a global point of view, the NATO strategy is the right one.

Arne Stinus, spokesman of the Radical Liberal Party, also intends to bring up the question directly toward Lord Carrington when in mid-February the security policy committee will visit the NATO headquarters in Brussels.

"It has been most unwise on the part of the NATO secretary-general. I was under the impression that this line had been abandoned when Joseph Luns resigned from his post.

Such criticism belongs behind closed doors, and Lord Carrington has had the opportunity for raising it toward NATO parliamentarians this fall," says Arne Stinus, who "most certainly" will want to take the matter up during his visit to Brussels.

The leader of the Socialist People's Party, Gert Petersen finds that it shows that the secretary-general of NATO is under pressure from "influential circles to play the same role as Luns," and "we have to take it up in Brussels in order to find out whether Lord Carrington's position is that the majority must dictate the minority, or whether NATO is an association of democratic states of equal standing."

MILITARY

DENMARK

ASPECTS OF 'DEFENSIVE' MILITARY SYSTEM DISCUSSED

Copenhagen BERLINGSKE TIDENDE in Danish 23 Dec 85 p 9

[Op Ed Article by Ole Koefoed, graduate in political science: "Debate on Defensive Defense"]

[Text] BERLINGSKE TIDENDE has most recently published three articles on the so-called defensive defense (Monitor, 18 November 1985, Bjørn Møller, 26 November 1985, and Minister of Defense Hans Engell, 1 December 1985).

Bjørn Møller argues in favor of a defensive defense, although he recognizes that the concepts are still rather abstract, while Monitor and the minister of defense oppose it. Both of them mention that the idea of a defensive defense has arisen within the political left wing and among the peace movements, and that, of course, is true, but, in my opinion, the debate concerning an alternative defense is far too important for us to leave it to the left wing and the peace movements.

I deliberately use the term 'alternative defense,' as I find it illusory to seek to distinguish between an offensive and a defensive defense. However, there are two reasons why it is necessary for us to seriously consider whether we shall be able, in the future, to organize our defense in a better manner than we are doing today.

In the first place, the costs of advanced weapons systems are increasing sharply, and that means that a country such as Denmark will only be able to procure very few weapons, and, in the second place, most modern weapons are, in one way or the other, dependent on radar, and as radar systems may be put out of operation electronically (the so-called jamming), we may thus risk that, at the initial stage of an attack, we have a small number of ultra-modern weapons which we are entirely unable to use.

In contrast to the advocates of defensive defense, I, therefore, find that, without entirely abandoning advanced weapons systems, we have to put the main emphasis on older and more primitive weapons which are not dependent on radar and which, therefore, are not as accurate but which, on the other hand, cannot be put out of action electronically. As these weapons will be relatively

inexpensive, we shall be able to acquire large quantities of them, which will more than outweigh their inferior accuracy. Wanting first to state that the following should not be regarded as a fully worked-out proposal but only as a contribution to the debate, I find that a Danish defense, according to these guidelines, may look as follows:

As far as the Army is concerned, the forces are dispersed over the country in an actual area defense, where the individual units get the responsibility each for its own geographic area. In order for such an area defense to make any sense at all, the total force will have to be considerably larger than it is today, and this may be achieved by extending the period of service to 18 months and by calling up all those who are capable of undertaking military service. The area defense, which consists of conscripts, may, in this way, amount to a standing force of approximately 18,000 troops, approximately 6,000 of whom are in training, the period of training being fixed at 6 months. The area defense is not motorized and is equipped with machine guns, light mortars and light anti-tank weapons. These weapons are allotted in such quantities as to enable the individual force to vary its arms on the basis of its needs.

In a terrain such as the Danish terrain, it will be necessary for the area defense to be supported by a large number of subterranean survival areas. Such subterranean installations are equipped with their own water and power supplies as well as the various sanitary installations, and already in times of peace such large supplies of every kind is provided as to enable the forces to manage for some length of time without supplies from the outside.

In support of the area defense, a mortar force and an anti-aircraft force are deployed. These forces are motorized and consist of permanent personnel; they may conceivably consist of approximately 5,000 soldiers each and may also be dispersed across the country in minor units.

Both Monitor and the minister of defense point out in their argumentations that a defense thus dispersed may not be able to concentrate its forces in any actual counterattack against an invading force, and that is, of course, correct but to this may be added, first, that since the defense agreement was concluded in 1981, the Danish Armed Forces have not been able to concentrate anything anywhere, and, second, such a concentration of Danish forces would constitute an ideal target for nuclear arms, and the Danish Armed Forces would thus be most likely to become destroyed before becoming engaged in combat, while the Danish position on nuclear arms, on the other hand, would make it fairly unlikely for such weapons to be used against the concentration of enemy forces at the bridgehead.

A land defense of the nature described here will necessarily have to be supported by a strong Navy and a strong Air Force.

The Navy will have to consist of a number of fairly large units which may partly participate in the defense against the invading army and which may partly operate far into the Baltic Sea. Such vessels are equipped both with modern missiles and with more old-fashioned guns which, if necessary, may be operated manually. In addition, a naval force of 60 motor torpedo boats will be deployed, similar to the present Sea-Lion class (of which we have only six

at the moment), where the electronic equipment has been reduced to a minimum, but which, by virtue of their speed and arms, will constitute a serious threat to an invading navy. In addition, there will be submarines, guard vessels, minelayers and minesweepers, etc. In the debate on the size of the Navy, we ought to bear in mind that our history clearly shows that we have always managed best when our Navy was strong.

The three present forts are expanded and modernized, and another five forts are built to guard the waters of passage. The forts are equipped with guns, which, if needed, may be operated manually and may, furthermore, be provided with missiles. They are equipped with their own ground defense and air defense systems.

As far as the Air Force is concerned, we probably have to face the fact that we shall not have the financial means to deploy a sufficiently large force of modern fighters, and, for this reason, the actual fighter defense is left to allied air forces stationed in this country in times of peace. We ought to be able to achieve such an agreement with our allies if, in return, we are able to offer a stronger naval force in the Baltic Sea and more effective guarding of the waters of passage.

We shall ourselves deploy a force of approximately 250 less advanced and thus considerably less expensive aircraft. It will have to be relatively low-flying aircraft that are able to operate at treetop altitudes and which will be used primarily for support of the operations of the Army and the Navy. In addition, the anti-aircraft missile systems will be expanded.

The Home Guard will leave the resistance tasks to the newly established area defense, but it will be entrusted with new tasks in the form of short-range defense of mortar and anti-aircraft forces. As a result, the Home Guard will have to be partly motorized. In addition, quick-firing guns will be introduced to fight combat helicopters.

A defense such as the one described here will become considerably more expensive than the one we have today. Especially while building the new subterranean installations (which may take 10-15 years), it will be a question of very considerable expenses, but, on the other hand, we shall have a defense which cannot be put out of action at the initial stage of an attack and which will be considerably more effective than the one we have today.

7262

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MILITARY

DENMARK

BRIEFS

CONSCRIPTS PROTEST SERVICE INCREASE--The calling up of conscripts who, in April, will commence a period of service within the combat and engineering troops, has caused the executive committees of conscripts, sergeants liable for military duty and conscientious objectors to rush into print. In an announcement to the press, they repeat their demand for what is described as a realistic analysis of the need for a longer period of service. "Before such an analysis has been undertaken, it would be inappropriate to carry into effect any general, permanently enforced extension of the period of service," it is stated. The said executive committees maintain that it is ultra vires for the Armed Forces to issue calling-up orders and propose that the problem be solved by the conscripts concluding a contract with the Armed Forces on the last 3 months of service. The Defense Command has already some time ago announced that nearly all of the initial batches of conscripts liable for 12 months of duty have volunteered. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 23 Dec 85 p 12] 7262

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MILITARY

FEDERAL REPUBLIC OF GERMANY

STRUCTURE, MODERNIZATION OF TACTICAL AIR COMMAND DETAILED

Bonn WEHRTECHNIK in German Aug 85 pp 34-40

/Article by Lt Gen Joerg Kuebart, commanding general of Luftwaffe's Tactical Air Command: "The Tactical Air Command to Undergo Complete Modernization"/

/Text/ The Bundeswehr is about to have its 30th birthday. That is the longest period of continuous peacetime ever experienced by Germany's armed forces. The Luftwaffe plays an important part in this. While it has frequently been described as a "weapon of the first hour," it has without doubt made a considerable contribution to the long period of peace by its continued combat readiness around the clock, side by side with the ground and naval forces within the North Atlantic Treaty. Thirty years of Bundeswehr and 30 years of Luftwaffe make for an appropriate point in time to determine where we stand today with the operational units of our service--how we are structured, how we are equipped and what the future holds in store for us.

In its 30 years of existence the Luftwaffe has undergone numerous organizational changes. Especially in its establishment phase, which was marked by gradual activation of operational units, the command structure had to be repeatedly adapted to new conditions and tied into NATO doctrines.

With effective date of 1 October 1970 the Tactical Air command was, among others, established as one of the three major commands for the following purposes:

- for a general tightening up of the national defense;
- to remove non-ministerial tasks from the defense ministry, while at the same time creating adequate headquarters to deal with these separate tasks;
- better to adapt the Luftwaffe to the NATO command structure, and
- to implement functional principles (technical command structure) and at the same time to guarantee relationships with the field forces which would be as frictionless as possible.

The Tactical Air Command consists of the Luftflotte's combat units. Thus the Tactical Air Command, which is the major Luftwaffe command reporting direct to the Ministry of Defense, is the command authority for division commands, 16 fighterbombers, reconnaissance and fighter wings, two missile wings, six air defense missile regiments with 15 air defense missile battalions, 4 communications regiments of the radar control service and several liaison commands as well as mid-level command and control organizations. These units are dispersed throughout the entire FRG territory.

Apart from the wings and regiments inside the FRG, the Tactical Air Command also has training facilities in

- Suda Bay, Crete (German share of the NATO missile range);
- Cottesmore, Great Britain (German share of the trinational TORNADO training facility);
- Fort Bliss, TX (German Luftwaffe Training Headquarters United States/ Canada and USAF Missile Training Center);
- Goose Bay, Canada (Luftwaffe tactical training headquarters);
- Decimomannu, Sardinia (German Luftwaffe training area command);
- Beja, Portugal (German Luftwaffe training area command).

In peacetime the Tactical Air Command has about 56,000 military and 9,000 civilian personnel.

In case of emergency and in wartime personnel strength is roughly doubled

The commander, Tactical Air Command:

- commands the subordinate major units and organizations in field service in peacetime, in a defensive situation and operationally until command is assumed by the commander-in-chief or commanders of NATO;
- is required to establish and maintain operational readiness of subordinate headquarters, major units and organizations;
- is responsible to NATO commanders below the level of the commander-in-chief, Central Europe, and to the appropriate allied and national commanders for matters involving operational preparation and execution, standardization, tactical evaluation, NATO exercises and weapon system training;
- identifies flying tasks for the Bundeswehr as well as technical tasks for the Luftwaffe (Luftwaffe air defense technical command for facility protection, ground defense, camouflage and deception, weapon system training, air operational standardization);

- directs the Tactical Air Command as a Luftwaffe major air command and as a technical command.

Tactical Units of the Tactical Air Command

To enable him to carry out his mission, the commanding general of the Tactical Air Command has at his disposal tactical command resources as well as tactical operational materiel, the weapon systems themselves together with their organic weaponry.

The latter consist primarily of combat aircraft which, by virtue of their specific capabilities, are able at any time to form massed concentrations appropriate to the situation, to move them in a very short time over great distances and to attack the enemy in his rear areas beyond the range of his ground-based weapons.

Their mission consists of the following:

- Attacking enemy air forces on the ground (Offensive Counter Air, OCA);
- Cutting off rear areas (Air Interdiction, AI);
- Offensive air support of ground forces (Offensive Air Support, OAS) by isolating the battlefield (Battlefield Air Interdiction, BAI) and Close Air Support, CAS.

For these purposes the Tactical Air Command has a wide spectrum of weapon systems at its disposal. Despite the fact that all types of aircraft are capable of operating in any part of air attack operations, they have been optimally configured for specific types of tasks.

TORNADO

The TORNADO, a third-generation swing wing combat aircraft with high-quality avionics is suitable for air-to-ground operations in any weather and at any time of day.

Its capability of terrain-following very low altitude flight at high speed and the electronic warfare self-defense systems provide the TORNADO with great penetration capability; the weapon computers and navigation devices permit point target attacks in darkness and in bad weather. Great useful load for weapons with a large radius of action complement these characteristics.

In view of these specifications, the TORNADO is particularly well suited for OCA and AI tasks. As part of air support it can be used against certain types of targets in a BAI capacity.

Additionally it participates, by order of SAGEUR, in NATO nuclear warfare operations.

The TORNADO has replaced the F-104G Starfighter, which at the present time is still in use by a fighter-bomber wing. Within a few years these aircraft will also be replaced by TORNADO's. This provides the Tactical Air Command with a considerable increase in combat effectiveness.

F-4F PHANTOM

Despite the fact that it has served in many air forces for more than 25 years, the Phantom still provides a considerable performance capability. With its high useful weapon load it has good penetration capability into useful depths with its electronic warfare defensive devices and is well suited for aerial combat. A program for increasing its combat effectiveness has resulted in improving its hit accuracy in air-to-ground operations and advanced its all-weather combat capability.

In view of its versatility the Phantom occupies a special place among Luftwaffe weapon systems since, depending on the situation, it can also operate as an interceptor in air defense operations.

In the air attack sector it can operate in the full range of the tasks described above.

ALPHA JET

The capabilities of the ALPHA JET fills in the deficiencies in the operational spectrum (Force Mix) of air attack operations. This aircraft was designed specifically for operations in the front combat zone. It is highly maneuverable and can take off from and land on short runways. Its robust, easy to maintain design permits the use of not fully operational airfields and Autobahn sectors. Built-in electronic warfare equipment provides good survival capability; modern avionics provide good hit accuracy.

With these characteristics, the ALPHA JET responds specifically to the requirements for BAI and CAS type operations. In the advanced combat zone it may also operate in the OCA role. The ALPHA JET's suitability for anti-helicopter operations must be emphasized here; they are becoming increasingly important.

RF-4E PHANTOM

Even though it operates mostly unarmed, the RF-4E, a tactical air reconnaissance craft with a wide range, is still counted among the air offensive weapon systems. This aircraft has a variety of reconnaissance sensors and with its side-looking airborne radar provides the only all weather reconnaissance capability of the Luftwaffe.

PERSHING Ib

The Pershing Ib is the unmanned weapon of air attack. This weapon is dedicated to nuclear operations by NATO. A detailed discussion of the Pershing Ib and its political function within the alliance would exceed the parameters of this article.

Armament

Next to the carrier systems, the armament is of great significance. The Tactical Air Command has a variety of free-fall munition and missiles to combat various targets. Added to this are the on-board weapons of the carriers. The introduction of additional types of munitions will further improve operational effectiveness against various primary targets. They will primarily increase the Tornado's operational effectiveness even more and will provide higher penetration capability of the Alpha Jet in operations against armored army units.

Command System

Since the tactical forces are under operational control of NATO, a NATO command system was established. Wherever possible, efforts were made to observe the principle of central planning (to provide the most economical use of forces) and decentralized execution (for quicker reaction time and to keep from bogging down)

Computer-supported systems for command and control provide information required for the command process

- about the enemy situation
- about the condition and readiness of friendly subordinate units, and
- about the success of friendly air attack operations.

At the same time these systems provide quick transmission of orders. This provides the prerequisites for a rapid, situation-appropriate and economic initiation of operations.

Air Defense Forces

What is the mission of the Tactical Air Command for the integrated NATO Air Defense, and what resources does it have now and/or in the near future?

No reply to this question is specifically directed to the readers of WEHRTECHNIK, whom I believe to have some basic knowledge of the subject and a general understanding of its implications. I will therefore not go into detail on the following:

- the threat

- the tasks and mission of the NATO air defense on the one hand and those of national air defense forces on the other;
- assignment within the alliance, and national assignments;
- combat and command resources in air defense.

I should like however to present one viewpoint on this matter, since there is always talk of "expense" which is said to be obligatory for air defense: air defense must not be regarded as an isolated entity. It is a component of Counter Air Operations, operations against enemy air forces on the ground and in the air.

In an alliance whose basic strategic stance is defensive, it is of particular significance especially at the beginning of combat operations. As a result, the integrated NATO air defense must maintain a high level of commitment and operational readiness which would permit a quick transition from peace to a state of war.

The Air Defense Concept

The operational concept for Central Europe (Central Region)--geographically, roughly the area of responsibility of the Tactical Air Command--presently views the operations of air defense forces primarily in the form of area protection. For this purpose, the HAWK mobile air defense missile system forms an advanced anti-aircraft missile zone extending from Schleswig-Holstein to Bavaria. In peacetime the operational batteries are located in firmly fortified positions, which can serve as their operational bases if necessary. In case of crisis or war they would advance to previously determined, but unprepared field positions. The batteries of the NIKE stationary weapon system, with their strongly fortified positions, form a secondary operational zone extending from the North Sea coast to an area south of Frankfurt/Main. An additional rear-area air defense missile operational zone (presently equipped only with HAWK's) is located in the Palatinate, Saarland/Eifel area. Participants in these air defense missile zones are forces from Belgium, The Netherlands, the United States and the FRG.

The fighter forces of the Central Region concentrate on the protection of areas without air defense missiles, i.e., primarily flanks and possible gaps in the air defense missile zones. Beyond that, they serve as escorts for attacking air force units and for fighter raids into enemy air territory.

Central Region fighter forces have representation from the air forces of Belgium, the UK, the United States, Canada and the FRG Luftwaffe.

The above air defense weapon systems are under the control of an airspace surveillance and control system which is supported by mobile and stationary ground-based resources and the NATO Airborne Early Warning (NAEW) system. Both elements operate in an area-covering and mutually complementary manner.

For the sake of completeness, we should mention the Air Defense Liaison Teams (ADOLT), which in exercises and in war maintain at ground force corps level the liaison with the integrated NATO air defense, and which have such tasks as coordinating the movements of the HAWK forces and the low-altitude flight reporting and control service with the movements of the ground forces.

Along with all other NATO partners and military services, the Luftwaffe supplements the effectiveness of the integrated air defense by direct protection of its most important facilities and personnel. At the present time, this facility protection exists in rudimentary form and consists of varied numbers of 20 mm twin antiaircraft guns and the air defense weapons. Until the activation of mobilization reserve personnel, these weapons are operated by active duty personnel as a secondary function. However, today every wing has an active antiaircraft platoon cadre.

ROLAND/PATRIOT Conversion

The introduction of weapon systems PATRIOT and ROLAND will eliminate one of the present-day deficiencies in the Central Region's air defense.

In the article "Air Defense in Central Europe" (WEHRTECHNIK, April 1983) the author used the following subheading: "It can only get better" and cited an anonymous Luftwaffe officer as saying: "NIKE Hercules is totally obsolete, the HAWK is obsolescent, the F-4 is old and facilities protection is lacking entirely."

At that time the Luftwaffe air defense forces had been particularly hard hit by the effects of the 1981 defense investigation. In the meantime the United States and the FRG have signed an agreement about joint procurement of the ROLAND and PATRIOT weapon systems; in addition, the chief of staff of the Luftwaffe has announced a concentrated effort in the air defense area over the next few years.

Replacement of the stationary NIKE system by the mobile PATRIOT system has of course led to a modification of our operational concept. Area protection remains the basic principle; however, in the future HAWK and PATRIOT will operate in the same geographic area. This mixed deployment creates so-called "clusters," high-density antiaircraft missile zones, in which the effects of the various weapon systems complement each other. Having a chain of clusters in a north-south direction creates an advanced HAWK/PATRIOT deployment zone extending from Schleswig-Holstein to Bavaria. To supplement this, additional clusters are formed in the rear areas for the protection of important facilities.

This new structure benefits the fighter forces also: while their mission remains unchanged, they gain operational areas of meaningful proportions. However, mixed deployment of antiaircraft missile and fighter forces in the same area will remain quite difficult within the foreseeable future in view of the well known identification problems.

In peacetime, the PATRIOT batteries, similar to HAWK, will remain in strongly fortified positions and will move to field positions only in case of crisis or war.

The new ROLAND units will be completely manned by ourselves and will primarily be devoted to protecting Luftwaffe TORNADO and F-4F bases in addition to selected USAFE bases. To provide optimum protection, these ROLAND units will be combined into larger formations and will be transferred to the facilities concerned depending on the situation. Deployment at a facility, apart from the 20 mm twin antiaircraft guns presently in use, will consist of up to 10 ROLAND weapon systems and a ROLAND air defense command post as a combat command facility. All ROLAND forces remain under national command.

The actual PATRIOT/ROLAND phase-in, which will reach its peak in early 1987, will last until about 1994. That big a program requires not only major adjustments and extensive preparation in the training and logistics areas. Its primary requirement consists of creating 36 PATRIOT combat batteries and 15 ROLAND combat batteries out of 24 NIKE combat batteries, structural than numerical problems. Nevertheless the Luftwaffe is convinced that the effort is worthwhile because:

- the antiaircraft missile forces will have a modern, mobile weapon system with a high rate of fire;
- PATRIOT and HAWK will be used jointly in a manner which was heretofore impossible;
- aerial targets will be subject to being shot down from medium and high altitudes by antiaircraft missiles in Schleswig-Holstein and Bavaria also;
- a gap of antiaircraft protection existing until now at an interface line will be eliminated;
- air defense facility protection will gain all-weather operational capability for some of the facilities.

Long-Term Planning

The '86 Bundeswehr Plan currently in force includes basically all essential Luftwaffe materiel requirements; procurement of new weapons can be implemented only in a time-sequence manner by concentrating the expenditure of funds for one system at a time. Since this causes the retention of presently available weapon systems for longer periods than originally intended, additional measures must be taken to extend their useful life and maintain their combat effectiveness. This in turn causes another postponement or extension of the phase-in periods.

In the fighter forces, the German Luftwaffe places at NATO's disposal four F-4F fighter squadrons and four F-4F fighter-bomber squadrons (with air defense as a secondary mission). This permits effective defensive operations in short-range VFR fighter sorties, using the M 61 20 mm gun and the AIM-9L SIDEWINDER infrared guided missile. However, we believe that increasing deficiencies can be found in the areas of flight performance, radar-avionics and armament, which could be eliminated during the short and medium planning period only through further improvements in the F-4F combat efficiency and by closing the armament gap. The preliminary phase and the concept phase for such an improvement in combat effectiveness have been concluded; implementation of the program is estimated for 1989, as it is for the AMRAAM radar-guided missile.

Apart from increasing the F-4F's combat effectiveness, action must be taken also to extend the useful life of this weapon system. This is because the introduction of the fighter aircraft of the 1990's (the JF-90) starting in 1997 requires that the F-4F be kept in service beyond the year 2000. Also, there must be continuous modifications to keep pace with the electronic threat.

The Luftwaffe has been fully equipped with the AIM-9L. During the next few years an improvement program is to make this missile even more interference-resistant and thus adapt it to the threat.

The ASRAAM, an air-to-air short-range guided missile, is not expected to become operational until 1993 and not until 1995 in the Luftwaffe, to replace the AIM-9L after a transition phase. Introduction of the AMRRAM medium-range air-to-air guided missile is, as stated above, expected starting in 1990, together with increased combat effectiveness of the F-4F.

Planning for ground-based weapon systems primarily affects the Tactical Air Command with respect to two projects--maintenance of the HAWK's combat effectiveness and planning for facilities protection.

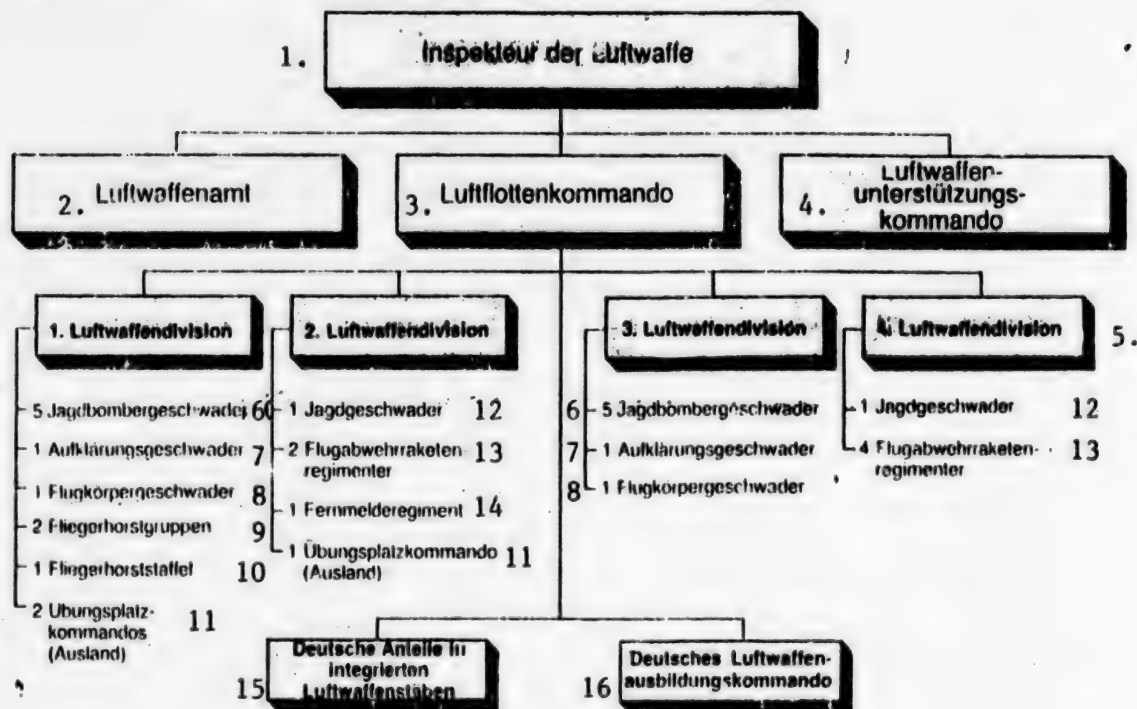
The HAWK, developed during the 1950's and in use by the Luftwaffe since 1963, has been modified twice so far and will presumably remain in service beyond the year 2000. In view of tight funding, the Luftwaffe has committed itself to a minimum program of mandatory improvements of the instrumentation as well as the missile itself. For follow-on planning we are not in favor of a gradual modification of the existing HAWK into a new weapon system, but, for many reasons, prefer a new development, specifically the "medium air defense missile system." Such a system could be contemplated for coming into being after the end of the 1990's.

In describing the materiel which are now or will in the near future be available for the integrated air defense, I have deliberately restricted myself to weapon system programs. In closing at least, I should like to mention that programs have been started also for airspace surveillance and command systems which fully equal the weapon system programs as to

size and financial expenditures. They are known to the people involved by such acronyms and abbreviations as GEADGE, AEGIS and ACCS; the NATO Air Command and Control System is to develop primarily a command system for all tactical air war operations. Also, a reliable Identification/Friend or Foe system has for many years been near the top of the list of priorities.

Overcoming that particular problem will probably keep us busy well into the next millenium.

Figure 1. Organization Chart



- | | |
|-----------------------------------|--|
| Key: 1. Chief of Staff, Luftwaffe | 11. Training Base Headquarters (Overseas) |
| 2. Air Force Office | 12. Fighter Wing |
| 3. Tactical Air Command | 13. Air Defense Missile Regiments |
| 4. Air Materiel Command | 14. Communications Regiment |
| 5. 1st through 4th Air Division | 15. German Components in Integrated Air Force Headquarters |
| 6. Fighter-Bomber Wings | 16. German Air Training Command |
| 8. Missile Wings | |
| 9. Air Base Groups | |
| 10. Air Base Squadron | |

Figure 2. Planned Air-to-Ground Weapons for Flying Weapon Systems

Waffen/ Munition 1.	TORNADO	P-4F	ALPHA JET	Primaerziele 2.
MW-1 (Hauptzielgruppe 2) 3.	x			Flugbetriebsflächen, Flugzeug- Schutzhäuten, Lähmung 4.
MAVERICK IIR	x	x	x	Gehärtete Infrastruktur, Kampf- panzer, je nach Gefechtskopf 5.
70-mm-Rakete CVR 6.			x	gepanzerte und mechanisierte Einheiten 7.
Startbahn bombe 8.		x		Flugbetriebsflächen 9.
Vertikalbordwaffe 10.			x	Kampfpanzer 11.
HAPM	x			Radaranlagen 12.
Abstands-Flugkörper großer Reichweite LR-SOM 13.	x			stark verteidigte orts feste Kampfanlagen 14.
Abstands-Flugkörper kurzer Reichweite SR-SOM 15.	x		x	gepanzerte Einheiten auf dem 16. Marsch oder in der Bereitstellung

- Key:
1. Weapon/Munition
 2. Primary Targets
 3. Main Target Group 2
 4. Air Bases, Airplane Hangars, Neutralization
 5. Hardened Infrastructure, Battle Tanks, depending on Warhead
 6. CVR 70 mm Missile
 7. Armored and Mechanized Units
 8. Runway Bomb
 9. Air Bases
 10. Vertical Firing Gun
 11. Battle Tanks
 12. Radar Sites
 13. LR-SOM (Long-range Standoff Missile)
 14. Heavily defended fixed Battle Positions
 15. SR-SOM (Short-range Standoff Missile)
 16. Armored Units en route or Ready for Action

9273/12276

CSO: 3620/137

MILITARY

GREECE

DETAILS ON EXOCET FIRING DURING 'KATAIGIS' MANEUVERS

Athens I VRADYNI in Greek 24 Nov 85 p 18

/Text/ The Exocet missile that was successfully fired against a target during the "Kataigis" naval maneuvers cost 800,000 dollars but, as navy officials stated, the results were so impressive that it was well worth the cost to confirm the protection given warships.

The "Kataigis" maneuvers were held in the Aegean on 18-22 November. Taking part were destroyers, missile-carrying vessels and submarines. Live ammunition was used. The various phases of the exercise were witnessed from the frigate Limnos by Alternate Minister of National Defense And. Drosogiannis; General Kouris, GEETHA /National Defense General Staff/ chief; Vice Adm N. Pappas, GEN /Naval General Staff/ chief; Lieutenant General Apostolakis, Air Force chief; and Vice Admirals I. Perissakis and Kh. Lymberis. The Exocet missile was fired from the missile-carrying vessel Mykonios against an old British vessel, the Makhitis, at a distance greater than 18 kilometers.

Later, the submarine Papanikolis sank the Makhitis with accurate fire. Prior to the firing of the Exocet missile, Vice Admiral Pappas was brought to the Mykonios by a navy helicopter and lowered aboard by the hoist system.

After the firing of the Exocet missile, Mr Drosogiannis and the military leadership boarded the submarine Poseidon and once again in the open seas they witnessed the firing of a real torpedo against a destroyer.

5671
CSO: 3521/59

MILITARY

GREECE

NEW LAW ON MILITARY SERVICE TO ABOLISH EXEMPTIONS

Athens TO VIMA in Greek 17 Nov 85 p 8

[Excerpts] In accordance with a law now being prepared, the practice of buying oneself out of military service is to be done away with and henceforth all Greeks (except for those legally exempt) will be obliged to serve in the army in accordance with constitutional orders. At the same time, all regulations dealing with desertion and insubordination will be reviewed so that --as made clear by the Ministry of National Defense-- "injustices and inequities that have prevailed up to now would be removed."

Through a decision of Alternate Minister of National Defense A. Drosogiannis, Legislative Decree 720/70 on recruitment is being modified and being brought up to date and new concrete measures are being introduced so that there would not be in the future any deviation from or "escape clauses" in the constitutional regulation which in Article 4 determines the obligation of every citizen for military service. This radical revision of the decree has a direct relationship, as a military source stated, with insubordinates.

The insubordinates issues and more generally-speaking recruitments issues were subjects that were discussed by high-ranking armed forces officers at a special meeting last Monday in the operations auditorium of the ministry. Chairman of the meeting was GEETHA /National Defense General Staff/ chief Gen Nikos Kouris. The issue was analyzed by Maj Gen Dimos Lagoudakis, chief of recruitment in GEETHA.

Although the philosophy of military service remains the same with the new law (for example, the length of military service is not decreased), nevertheless, there has been a modernization of the type of training for an improved and fuller development of professionals and even women volunteers (5-year engagement), all the inequities and injustices dealing with conscription are abolished, and primarily "escape clauses" that the prevailing law provides for the conscription of recruits will be ended. GEETHA sources point out that the new law will be stricter but also more specific and more just.

According to reliable military sources, the following regulations have already been approved:

- The practice of buying oneself out of military service, and this applies to all Greeks, is abolished. The special cases of conscripts who have a right for reduced length of service or who are obliged only to receive training are now obliged to

be conscripted even for a short period of time, without being able to buy themselves out of even 1 month of their military service.

- Deferments because of studies is restricted to the minimum. The issue of deferments because of studies (the main reason for subsequent insubordination) will be determined in coordination with proposals by the Ministry of Education. Up to now, a student of even a hairdressing school or a music conservatory could receive a 3 or 4-year deferment. More specifically, a deferment will now be given only to students of higher or advanced schools and, of course, to students doing post-graduate work in schools that are recognized by the Ministry of Education. Deferments (of short duration, however) will also be given to students who were not able to graduate from high school in time, i.e. before completing their 21st birthday (overall, over 20,000 deferments were granted each year because of studies, a figure that is expected to decrease with the new law).

- Certain prevailing "escape clauses" related to studies will also be abolished. The most classic example of these apparently legal exceptions was "the deferment of the TEI /Technological Training Institutes", as certain students symbolically call it. In other words, those students who did not enter an advanced school but did enter a TEI were able to get a deferment. They did not, however, go to a TEI to study, perhaps because they were not interested. Instead, they just waited until the deferment ended and then went into the military. Now, however, with the new law, those eligible for conscription are obliged to produce a certificate from their school each year certifying that they are indeed studying there or are continuing to study.

- Time for military training will be allocated for educational purposes or for completion of certain public works. Specific regulations will determine the use of military conscripts in public benefit purposes in time of peace.

5671
CSO: 3521/59

MILITARY

NETHERLANDS

MARINES TRAIN IN SCOTTISH HIGHLANDS

Amsterdam DE TELEGRAAF in Dutch 16 Nov 85 p 21

[Article by H.F. Van Loon: "Scottish Highlands Do Not Defeat Netherlands Marines. Chatter and More Chatter during Rain-Swept Exercise, But They Still Consider Themselves the 'Best Soldiers in the World' "]

[Text] Garelochhead, Scotland, Saturday--An omelet made of eggs and earthworms found in the field, a rabbit or field mouse they snared themselves--"But when you skin it, there is so little left over." A 4-day march with a 40-kilo pack through marshy terrain where at every step you sink deep into the highland mud. Rain, rain, and still more rain, where no uniform will protect you against it, until you long for the relief of snow and a temperature of -20° C. Those are some the conditions faced by the 600 Netherlands marines currently training in the breathtakingly beautiful but hard-as-nails and inhospitable Scottish Highlands, at the start of their annual mountain and winter training.

They form the core of the 1st Amphibious Combat Group (1 AGGP), on call to defend Netherlands interests "as far as the world reaches" (their motto), but whose main wartime mission is to defend the vulnerable northern tip of Norway along with a brigade of British marines, or to be deployed as a NATO force in defense of strategic islands in the Atlantic Ocean.

Rations

The majority of the marines are career soldiers; that means they will chatter on, they would not be Holland boys otherwise. They complain about the equipment they need but do not get--and so they go out and buy it themselves: If they do not have the proper pans they need to warm up their Arctic rations, then they buy them, and the same is true of the proper compasses that the government does not provide them with, and the caps that keep their ears from freezing off, and the tie-up socks that keep the water out of their mountain boots.

They complain about their bonuses of hundreds of guilders, sometimes of thousands, that they get months late--or sometimes not at all--despite endless promises from the Hague, but even so they get on with it, thanks to cliches like "Once a marine, always a marine!" But they do worry about their families at home and whether they can make ends meet, and then they just make a joke about it, usually with an undertone of melancholy seriousness to it. "We'll have to bring money with us when we go on exercise."

They complain, but naturally they are fully convinced they are the best soldiers in the world--and they are supported in that belief by an evaluation from an unimpeachable source. The chief of the Defense Staff, Land Forces General Goof Huijser, says of them: "Real infantry skills, it's been a long time since I've seen them done so very well."

Inventive

I asked the battalion commander, Lt. Col. H. Ramakers, for an objective comparison between his marines and their British companions in arms: "In routine skills where endless drill is useful, the British may be a bit better. You can tell a British marine to sit in his tent for 12 hours waiting for action. A Netherlander is too impatient for that, he won't take it. Our marines have to be told what's up--then they'll go and think out by themselves how to take care of the business, and then they do it. In the Falklands War--we in the Marines are still analysing every detail of that--it became as clear as day that at the lowest level you have to be independent, inventive--and that you will win the battle if you are. Well, that's second nature to the Netherlands marine."

To man they agree on one thing: the training in Scotland is tougher than in the dangerous Arctic cold of northern Norway. "You can dress for the cold, you can't do anything for the rain." Result: a constant watch for hypothermia ("First they start to weave, walk off in a totally different direction from the rest of the group, and in the end they don't even know where they are") and for trench foot (feet turning black as a result of staying too long in wet socks and boots).

Danger

Then too there is the constant danger of clambering up vertical Scottish mountain walls on thin lines hung from spikes driven into the rock; of wading through churning mountain streams--without letting yourself be carried away by the violence of the water or breaking an arm or a leg (so far only one ankle has been broken); of weaving branches and leaves into wigwams that fit so naturally into the desolate nature that your enemy will not notice them, but that will keep you reasonably warm and dry for a couple of hours, but that take 5 men 4 hours to construct.

It is understandable that young men of 23 already have old-looking, deeply etched faces: "It does keep you young, you go to the limit because you don't want to fail your buddies, but you see the faces getting older by the month," says one of them, a man of the type that says, "For education I have 3 years of advanced elementary education and 2 dancing lessons, but I'm a marine, so I never worry about it, I manage very well in life!"

Their training area among Scottish lochs with romantic names like Gare Loch and Loch Lomond was chosen not just to provide the maximum of training but also because they cannot train for more than a maximum of 3 months in Norway. The Norwegians, who are extremely careful about not irritating their giant Soviet neighbor too much, do not permit NATO troops unlimited training on their territory.

Appreciation

"There is the additional point," says Marine Commander and former frogman General Ties Rudolphie, "that we can hold our exercises much, much cheaper here--on terrain that is virtually identical with that in Norway. The training to be carried out next year again in the northernmost part of Norway from January to March costs the Netherlands twice as much as our stay in Scotland. But when it comes to the Marine Corps we cannot just think in terms of money; what the Marines also need is some appreciation."

That is what they will get in December, when the Corps celebrates its 320th birthday (it is the oldest body in the Netherlands armed forces). At that time Prince Claus will review a parade of the same marines who are now training in soaked-through combat dress but will march past in Rotterdam in immaculate blue.

12593

CSO: 3614/35

MILITARY

NORWAY

NAVAL DEFENSE PILOTS REQUEST AMERICAN-BUILT HELICOPTERS

Oslo AFTENPOSTEN in Norwegian 12 Dec 85 p 14

[Article by Liv Hegna]

[Text] Early next year the Defense Ministry will have to make a decision. Will it purchase 12 new Bell helicopters from the Agusta factories in Italy or helicopters produced by Textron in the United States? A brief survey of active pilots revealed unanimous agreement. Good experiences with supplemental deliveries from the United States led all of those asked to express a preference for an American-made helicopter. AFTENPOSTEN has learned that Scancopter Aviation, Inc. submitted a bid of \$2.1 million as the base price for a Bell 212 helicopter. There would be extra charges for any additional equipment the Defense Ministry might want to purchase.

The alternative to the Bell 212 produced in the United States is the version made in Italy. It is built on license from the United States and therefore in principle it is identical with the American helicopter. But pilots are currently concerned about poor experiences with Italian airplanes. Actually the machines in question are of purely historical interest. In 1938-39 Norway bought four Caproni planes (from Milan) for reconnaissance and bombing missions. The planes were called codfish bombers because they were purchased in exchange for sales of dried codfish.

Storting has now decided that the existing helicopter fleet of Bell UH 1B's in North Norway should be replaced in the period 1986-88. A reduced number of these planes will be retained in southern Norway. AFTENPOSTEN has been told that the lifetime of the old aircraft will now be extended by using some of them as a source of spare parts for the rest. Thus there will gradually be fewer and fewer of them left and sometime in the 1990's the number of Air Force helicopters will be cut. Since it has been decided to extend the lifetime of the Sea King rescue helicopters as well (if a method can be found to finance this), the armed forces will then be faced with the necessity of choosing a standard helicopter.

The Bell 212 helicopter is a nonarmored "all purpose" helicopter. People in the field call it a work horse. The 12 that will replace the 14 Bell helicopters currently in use at Bardufoss will be used especially for transport purposes and in wartime for evacuation of the wounded. However they can also

be used for observation purposes and minelaying. The cargo hook under the fuselage has a lift capacity of 2.2 tons. This means that the helicopter can lift small artillery pieces, for example.

The American 212 from Bell Helicopters Textron is already sold to a number of countries. Some 770 are in operation in the civil sector and 435 in the military sector.

It is used by both the U.S. Navy and the U.S. Air Force. It is also in service in Canada and Korea, as well as in other countries. In the civil sector the 212 is used for offshore flying in the North Sea and in the Far East.

AFTENPOSTEN has heard that reciprocal industrial purchases will be among the deciding factors when the final decision has to be made sometime early next year.

6578

CSO: 3639/47

MILITARY

NORWAY

IMPLICATIONS OF CHANGE IN SWEDISH DEFENSE POLICY DISCUSSED

Oslo AFTENPOSTEN in Norwegian 5 Dec 85 p 8

[Op Ed Article by Olav Trygge Storvik: "Doubts about Swedish Defense"]

[Text] "Certain changes have been made in the direction of Finland and Sweden and with regard to defending the Danish sound and straits, but as yet they do not provide a basis for important new conclusions from the point of view of Norwegian security."

That is a direct quotation from a speech the chief of the armed forces made to the Oslo Military Society recently and it was probably relayed back home long ago by foreign military attaches. But there has been little public attention devoted to the defense chief's observation on this point here in Norway. That is surprising, for it is not the cautious conclusion that is important in this context but the fact that the Norwegian chief of defense chose to use the prestigious, almost official speaker's platform of the Military Society to warn of developments in the Nordic countries. The defense chief noted that "changes" have taken place in the Nordic countries and he did not commit himself with regard to the time aspect, in other words the exact time when there might be a basis for Norway to arrive at "important new conclusions from the point of view of Norwegian security." Here the top professional military leadership has clearly expressed anxiety and concern with regard to a continuing trend in military developments in the Nordic countries. If the trend does not change things will reach a point sooner or later where Norway must take the consequences of a new situation.

Concern of the kind the defense chief expressed to the Military Society was also apparent in the speeches and discussions at a security policy conference arranged recently by the Armed Forces College Association for a group of interested members. The theme of the conference was the Nordic security policy situation in general, but a great deal of attention was devoted to Sweden.

The underlying concern expressed by several people was that in spite of increased Soviet military capability and activity in the Baltic Sea and the Norwegian Sea, we have seen a clear reduction in Swedish defense efforts in the 1970's and 1980's. There are several indications that Sweden's relative defense capability has been weakened. And that tendency is continuing while the military threat is mounting. For many years after the war Norway never

questioned Swedish military capability which is the very basis for believing in political statements about "wartime neutrality." Swedish defense had a good reputation and defense appropriations were high enough to prevent reasonable doubts from arising. It looks as if that is now changing.

The question now being asked by some people in Norway is whether the Swedish military system is heading toward a point where credibility in its ability to maintain neutrality in wartime would be eroded. In the early 1980's Deputy Private Secretary Leif Leifland referred to this problem in a note to the Swedish government. And the connection between the credibility of Swedish neutrality and a certain level of defense appropriations as an expression of the political resolve to maintain neutrality has also been discussed in detail on the theoretical level by Professor Nils Andren of the Swedish Defense Research Institute.

At the conference questions were also raised about the concept of neutrality as used in Swedish political circles. "Are the declining defense appropriations and Sweden's behavior toward the Soviet Union indications of adjustments that are beginning to be made to new realities in the sphere of power politics?" they asked. Although there is little doubt that the Swedish public still strongly supports the idea of neutrality, it was asked if the same thing is true in some political circles and if it applies to long-range perspectives in the area of relations with the Soviet Union. And what is really involved in the political objective of "wartime neutrality"? There is little evidence that Swedish "neutrality" in the strict sense of the word is accepted in Moscow and many people think that if Sweden came under pressure the concept of neutrality would simply mean that the government would try to prevent active Swedish involvement on either side. Thus Swedish "neutrality," as it might be interpreted on the basis of prevailing power considerations, would not necessarily prevent Swedish territory or air space from being used for an action against Norway.

It was also brought out at the conference that Finnish and Swedish defenses are still formidable and would tie up a lot of Soviet resources. No conclusions were reached in the debate but the Armed Forces College Association is planning a larger conference in the spring on the same topic and prominent Swedish experts on security policy will also be invited to attend.

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MILITARY

NORWAY

ACTIVITIES OF KONGSBERG ARMS FACTORY EXAMINED

Oslo AFTENPOSTEN WEEKLY SUPPLEMENT in Norwegian 22 Nov 85 pp 38-47

[Article by Terje Gustavsen: "Kongsberg Arms Factory--Bigger Abroad than in Norway"]

[Text] A Mecca of high technology out in the woods. An enormous tangled skein of mechanics, electronics and data. A multinational concern with no information division and no original artwork on the walls. KV [Kongsberg Arms Factory] does a lot more than manufacture weapons.

A strange bird is beating its wings in Norwegian industry. It spreads its wings over the entire world. Out there its feathers glisten and quiver in an elegant and exotic fashion. It swoops boldly to the skies and challenges the biggest birds. No one would believe that it comes from a small town way out in the woods. But here at home it is camouflaged and unapproachable as it hatches out its golden eggs. It can look somewhat heavy and dowdy in flight. And it is a little annoyed that not everyone realizes that it is the most exciting bird in the Norwegian pond.

We are referring to the Kongsberg Arms Factory.

"We are much bigger abroad than we are at home. Just go south of Halden and you'll see that Kongsberg is an important company."

It has hatched out some greedy fledglings that have gobbled up millions--without ever really getting off the ground. The firm has been so depleted by deficits in recent years that it has had a hard time lifting its head over the edge of the nest. But just look--it is bursting with new projects and winning contracts in an unprecedented fashion. It is preening itself and promising to hatch out two new companies this year.

Kongsberg Arms Factory...

"I haven't been bored here for a single day. The goal in life is to be a technological leader. If only we had been able to make money too."

Early each morning a bus leaves Kongsberg and heads out into the world. To Fornebu. The driver knows everyone and morning coffee is served. There is a purchasing engineer on his way to Los Angeles to shop for new parts for the defense division. There is a service representative who was given an assignment in Singapore last night. There are two people from the personnel office who are attending a course in leadership at the Narvik division. There is the director of the newly-hatched subsidiary in South Korea who is going to take care of the final negotiations there. And there are airplane engine people who are going to France to land a long-term contract there. They unfold fresh copies of LAAGENDALSPOSTEN containing local news and a prominent press agency report on a fall offensive in China by the Italian weapons industry.

Kongsberg Arms Factory...

"We perform specialized operations. It is possible to be world champions while sitting out here in the middle of the woods."

Almost every day black limousines bearing the Kongsberg crest glide powerfully up through the Buskerud landscape, bringing imposing and important visitors. There are delegations from Rolls Royce, Pratt & Whitney, General Electric, the Soviet Trade Bureau, the U.S. Navy, British Aerospace, Volvo, Daimler Benz and Porsche. And from Shell, Elf and Agip, the Spanish Telecommunications Agency, the West German armed forces and the French Defense Ministry. For the most important sales arguments can be found at Kongsberg. In the factories and development divisions there. In the very soul of KV, which is an enormous tangled skein of mechanics, electronics and data.

Kongsberg Arms Factory...

"We can do everything here. We don't need original artwork on the walls to impress our customers."

The factory buildings sprawl out in a somewhat undisciplined way--built in response to needs of the moment. Stone buildings from the last century with a touch of grandeur, ramshackle barracks, nondescript pavilions, cramped living quarters, production greenhouses regulated by time clocks. A chaotic lack of distinctiveness. It is certainly not designed to make a lasting impression on important foreigners. It resembles a stolid overgrown provincial company.

The factory has also turned out spade handles, chisels, bottle openers, sledges, dining-room furniture, bicycles, bakery machinery and much more in an effort to provide work in periods of disarmament. These are now amusing items of past history, placed in the company's own museum along with rifles, cannons and rockets.

There are staggering dimensions to the company's present civilian production, which accounts for three-fourths of all its activities. Within a radius of 100 meters you can contemplate the following things:

Down on the ocean floor there is a 400 ton production station in the North Sea Gullfaks field. And soon there will be a network of remote-controlled units at vast depths linked together by robots as much as 20 miles away from the platform.

Up in the air there is a new generation of airplane engines for the big wide-body planes. They look simple but they are huge jewels that have been finely polished to micrometer specifications.

Out in the desert is a gas turbine that is so simple that it does not need constant supervision by trained workers. It takes 2 years to assemble at Kongsberg and can be run on the gases given off by decaying garbage in the big dumps in the United States. And a new engine revolution is about to come off the drawing board. A turbine as powerful as a big fast-turning diesel engine but weighing only a fraction as much.

And there are powerful new computers that take only half a year to develop and are compressed into a small card.

And, gentlemen (for ladies seldom come here to visit), we have the world's most advanced drafting machine. Obligatory for all visitors. A stroke of genius from the 1960's that no one thought would survive the 1970's. Now it is used in almost all the design studios in the European auto industry. It has been developed into a production machine. It makes signs, decorations and boxes. Equipped with a laser it cuts plexiglass, steel and rock.

And so far we have not even mentioned the KV-spawned stock company, SysScan, with computer technology that devours paper maps and can correct them with information provided by satellites. It supervises the 70,000 oil platform construction drawings, the Italian railway network and a map plant in India. It offers a vision of an office without paperwork.

There are also the auto parts factories in Hvittingfoss and Rollag where aluminum is considered a heavy metal. Magnesium must be used. And electronics is built into the clutch system.

And then there is the high-power Albatross subsidiary with equipment that automatically controls propellers and engines to keep drilling ships in precisely the same position even in the stiffest north wind. The company is now looking into actively using the ballast of rigs to keep them rock-steady when they are lifted up in a choppy sea.

Kongsberg Arms Factory...

"It's nothing but arms production and state regulations," say students at the Norwegian Technical College. Like most of the rest of us. And deep within the Norwegian technical community KV is regarded as an obscure state-run arms producer.

For this is surely the only big Norwegian company without a separate information division, not even a separate information secretary.

There are still a lot of people who feel that providing information for Norwegians is a waste of resources:

"Our customers live in other countries, after all."

And what other company could issue its annual balance sheet well into June?

The defense division has partially barricaded itself in the long-established, somewhat dilapidated factory premises down by the river. Not even the administrative director drops in here without warning. Behind coded doors the factory produces firing cylinders for Swedish mortars and Norwegian artillery. Not as simple as it sounds because they must withstand pressures of up to 25,000 G's. (A fighter plane only has to withstand 9 G's.) Here are advanced computer systems that guide submarine firepower. Command control systems for NATO's northern command. And the favorite child, the Penguin, which is now entering the third generation--from ship to helicopter to F-16 fighter plane. An accurate missile with a classified target-seeking system in its nose. It finds its way to strategic warm spots on hostile vessels. It cruises at a low height between islands and skerries.

In the past all the civilian activities at the Kongsberg Arms Factory came out of the defense division. The technology was taken from the defense work. Ideas from the defense division spread to civilian objectives.

Kongsberg Arms Factory...

"We are probably somewhat remote. That is probably due to our defense roots."

But now it is the civilian operations that are developing the new technical ideas and making new breakthroughs. With ripple effects that arms production can now benefit from. Only 3 or 4 years ago all you heard at Kongsberg was that the firm could not get along without producing weapons. That was the basis for everything.

Today one can meet some leaders who say without fearing rebuke that the defense division is no longer so important to the concern. And there are even more who would like to see the arms concept removed from the firm's name. But it looks as if defense will be able to hold the line another year as the division with the biggest turnover. It has added contracts worth billions to its reserves and will probably soon follow this up with an order worth 750 million kroner for controls for the West German Roland missiles. But the offshore sector's turnover will soon be greater.

Kongsberg Arms Factory...

"We are saddled with a large defense complex."

The entrance to the old administration building is appropriately decorated with cannons. The staircase is lined with old hand guns. The boardroom is decorated with stiff portraits, most of them of men in uniforms covered with

medals. The current administrative director, Rolf Qvenild, is the only one who did not come from the defense section. He is a fairytale prince from the new offshore kingdom but he bears little resemblance to the oil-smeared dynamic leaders of the new soap operas. He gives the outward appearance of being a little stolid and provincially modest: "My leadership style? I'm not the one you should ask about that."

At times he feels the pressure of the defense tradition on the system: "There has traditionally been too much respect for administrators here. That is because some people want a captain on the bridge more than I do."

He runs things with a democratic hand that can be quite firm and he often expresses himself in sports terminology: "We must continue to take part in the world championship match. We need to increase our will to win."

His training program is a long-term one. "We have had problems for 4 years but we have not cut back on product development. Of course I can be criticized for that. But I am not willing to weaken our long-term survival capability for a short-term gain."

"The course is set for the 1980's. We have two tasks. We must improve in the areas where we already excel. And we must continue to propagate new activities from the KV core. We have more ideas than we have economic resources."

You can walk around for days at Kongsberg without seeing a glimmer of an arms factory. Or getting the slightest hint of a concern that is undermined with deficits. The auto parts division has always made money. There has never been any red ink on the defense books. Oil has earned money for the last 4 years. Airplane engines are coming out of a slump after Storting vetoed the purchase of more F-16 planes. And new contracts worth millions are being signed across the board.

Then where are the deficits buried? Primarily in the gas turbine division, the computer division and Norcontrol in Horten, which the authorities palmed off on KV.

Now the data division is gone, "structured" out--without a word about it in the annual report. And the gas turbine division is leaving KV and going into a new company in cooperation with the big American company, Dresser. A stroke of genius. Kongsberg had only a product with a big deficit. Now it is getting a partner with capital that can lift the new turbines out of the development nest and send them out into the world.

But the big money consumers are still tearing strips out of the concern's hide. The semiannual balance sheet for 1985 showed a whopping deficit of 71 million kroner. But administrative director Qvenild was still able to attend the traditional industrial council dinner with a good appetite on the basis of rapidly increasing orders, offering a prayer for balanced books for the last half of the year.

New activities will soon appear on the menu, adjusted to the company's reducing diet.

Kongsberg Arms Factory...

"This year alone we have had four new organization plans."

No one at Kongsberg has a guilty conscience about operating as a producer of weapons. Shop steward Roar Flathen put it like this: "It is better to have some of the production taking place in Norway than to buy everything from foreign companies over which we have no control." And administrative director Qvenild had this to say:

"Producing weapons is a political decision. It is not made by me or by the board, it is made by the political authorities. In certain circles in Norway arms production is not popular. And many more people disapprove of profiting from arms production. And ideally we should not profit from this area of activity."

Kongsberg Arms Factory exists in a state of tension between widely separated worlds. One is the military world with system and order according to precisely drawn-up rules. The other is the humming world of the offshore industry with many swift and sudden solutions. In the military world work on a contract can continue for 10 years. Officers in charge have no authority to make decisions. The national authorities are the customers. In the oil world money is more quickly available. There is more of it. The customers are used to making decisions overnight. And they would just as soon write contracts on paper napkins.

The military atmosphere that dominated the arms factory for many years has weakened considerably. There was a time when the firm moved cautiously with clear lines of command and withdrawal routes. There was a big central staff that had to make decisions on far too many details. The color of the curtains, for example. The staff trampled through the sections and divisions like elephants: "There were times when you had to put your job on the line several times a year in order to get anything done."

But a lot has changed in recent years. The concern is divided up to a greater extent into independent units that are under great pressure to produce results. Few people today regard KV as ponderous and bureaucratic. On the contrary. Now the concern can be aggressive and willing to take risks.

After several years of layoffs there is glowing optimism and a fighting spirit at all levels. And among division leaders there is bubbling enthusiasm.

"Not many firms can offer such a variety of challenges. Here you are able to poke around in uncharted areas. We are thrown into the water and have to strike out on our own. Here you are allowed to make mistakes. There may be a little too much leeway at times.

"In this company you can accomplish what you want to. But you must have initiative and the ability to overcome bureaucratic obstacles. You have to be strong. You have to have guts."

Kongsberg Arms Factory, the most international company in Norway. "But you can stroll down the street to your neighbor's house and have a chat while you solve a problem at work."

Survey of Kongsberg's Activities

Main Company

Administrative director: Rolf Qvenild, 47. Number of employees in 1984: 4488 (approximately 700 fewer than in 1981). Sales: 2.234 billion kroner. Profits: 4 million kroner, but a deficit of 97.3 million kroner before the sale of stocks. A stock company in which the state owns all the stock.

Additional factories in Hvittingfoss, Rollag, Odda and Narvik, a development division in Trondheim and operations in Asker, Halden, Tonsberg, Sweden, England, France, West Germany, Spain, the United States, Canada, Brazil, Saudi Arabia, Hong Kong, Australia and Singapore. The main company also owns stock in a number of subsidiaries, of which Geco and SysScan are the largest.

"It is an old Kongsberg rule that we never leave a customer in the lurch. That costs us a good deal. But we are also selling reliability. I have never heard of the company failing to come up with the solution to a technical problem."

Gas Turbine Division

Division leader: Thorbjorn Westrum, 51. Number of employees: 497. Sales: 447 million kroner. Deficit: 67 million. Left KV and became part of a new company in June 1985. Half of the new company is owned by KV and the other half by the big American concern, Dresser. This division has been an expensive problem child for several years. It was in danger of being shut down.

"We would have had very limited freedom of action in KV due to poor finances. It is inspiring and challenging to have our own company. At times KV could give one a feeling of false security. If things didn't go well there it was not always so dangerous. The employees went from a large firm to a small one. They are no longer overawed by it. They have seen that things can go well."

Oil Division

Division leader: Bjorn Husemoen, 45. Number of employees: 323. Sales: 227 million kroner. Profits: 27 million. This is the division that has the most growth. It will probably double the number of employees within 3 or 4 years.

"Probably a lot of people smiled when we started out in 1974. Many were skeptical about solutions to underwater problems. Our competitors fumbled and faltered. The oil companies were only slightly interested. We began to run out of reasons to keep going. We had only solutions on paper, but no products. Then we got our first contract in 1979. Now we deliver systems to the Gullfaks field. Production will now occur at great depths, between 200 and 600 meters. Divers can no longer be used. This will require totally different production systems--without divers. That is what we have been working on for 10 years."

Auto Parts Division

Division leader: Olav Volldal, 35. Number of employees: 357. Sales: 221 million kroner. Profits: 3 million. Produces brakes, automatic clutch systems and magnesium wheel rims, among other things. A major part of the profits now go into the firm's own product development.

"In our branch orders shift quickly. We have contracts for only a year at a time. Suddenly you can lose several million kroner. With our payroll we are forced to do things differently, to be smarter than the rest. We have to watch every penny. We must improve all the time. Things are never good enough. Somebody is always waiting for a chance to move in. In this branch the winner takes all. We have been fortunate lately. You have to be lucky. The more we work the luckier we are."

Defense Division

Division leader: Jens Charles Width, 58. Number of employees: 1561. Sales: 477 million kroner. Profits: 11 million. Half of the activities involve engineering production for other divisions.

"We have the most advanced production equipment in Norway. We cannot compete with any old basement enterprise. We cannot take on simple jobs. That would make us too costly. Defense contracts are big once they come in. But decisions about public purchases take a long time to make. That affects us.

"It is by selling products to other NATO countries that we are able to maintain a profitable operation. In this country the state purchasing rules lead to much lower profits."

Airplane Engine Division

Division leader: Egil Armo, 55. Number of employees: 375. Sales: 245 million kroner. Deficit: 4 million. Went through a slump in 1983 because Norwegian authorities somewhat unexpectedly decided not to buy more new F-16 fighter planes. Making a comeback with the production of civil airplane engines. There should be big profits starting in 1987.

"We are disappointed that Norway has resigned from the F-16 club while all the other countries stayed with it. Now we are going in as participants in

several civilian projects. We can never become big enough to deliver whole engines. The hectic race to maintain delivery dates has become commonplace. But everyone here steps in and works overtime when the situation is critical."

Computer Technology Group

Leader: Birger Dalen, 43. Number of employees: 60. Sales: 40 million kroner. Profits: 2 million. Established 3 years ago. Develops and delivers computer technology to the entire KV enterprise but outside assignments account for 55 percent of its activities.

"We don't know what will happen in 1987. We don't think that far ahead. Customers must get what they want in half a year. No development project can take longer than a year without showing results, but our own development program can be long-range. We have a time clock like everyone else at KV, but no one takes it seriously. We have to work while the computers are running.

"KV is the country's third largest computer company--after IBM and Norsk Data. More than half our products include computer technology. It is only the computer division that has been shut down, not the computer activities."

Albatross

Administrative director: Nils W. Gulhaugen, 34. Separated from KV as a distinct stock company on 1 January 1985. Number of employees: 153. Sales: 161 million kroner. Profits: 11 million. World leader in the area of positioning ships.

"We have developed somewhat contrary to the KV system. In our world we must have an entirely different style. We are a team of individualists, but we are still a team. The average age is 33. We have gone from being a real circus to being an organized circus. People in town say that Albatross is the place where they use people. We got our first contract in November 1975. If it had come a few months later it would have been all over with us. There was some impatience on the part of company management. Last year we did not lose a single contract. We must be very aggressive at all times. If we start playing it safe our competitors will catch up with us. Albatross could be the core of a new electronics industry. We can start up new companies."

SysScan

Administrative director: Johs. Jamne, 41. Stock company set up in 1983 by KV and Messerschmitt-Boelkow-Blohm of West Germany. Number of employees: 150. Sales: 176 million kroner. Deficit: 13 million. Develops computer systems for map production and the storing of technical drawings. Employees own 5 percent of the stock.

"We did not have to follow the rules of a big concern. The first thing we did was to get rid of the time clocks. The employees had the option of

returning to KV within 2 years, but no one has considered it since. Now we have 100 projects going and we have to land half of them. So far we have lost very few contracts. We have increased our share of the market. After a bitter fight. This is not an easy task. We have to grow faster than the market. And the market is growing at a rate of at least 30-40 percent a year."

6578

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MILITARY

PORTUGAL

DETAILS ON 'JUPITER-85' JOINT MANEUVERS WITH SPAIN

Lisbon O DJA in Portuguese 3 Nov 85 p 11

[Excerpts] The air force and its Mixed Paratroop Corps have cooperated with similar Spanish units in carrying out a 24-hour exercise in Monfortinho.

The "Jupiter-85" exercise began on 29 October, and its first two phases--establishment of an airhead and a coordinated attack--have been completed.

The parachuting that was part of the first phase included 840 jumps with normal and automatic opening of parachutes. Weapons for the heavy equipment company and the antitank company and 16 tons of food were also dropped.

The air forces and mixed paratroop corps of Portugal and Spain are conducting joint exercises in the Idanha-a-Nova area (Monfortinho, Salvaterra do Extremo, Segura, and Zebreira) and at the Alcochete firing range through 8 November.

Over 3,000 men from the Iberian air forces under Portuguese command are conducting joint exercises about 290 kilometers from Lisbon.

The exercise is under the command of General Cardoso, whose advisers for the purposes of operational command are General Vazquez of the air force and Gen Francois Martins, commander of the Paratroop Corps.

The air force chief of staff, Gen Brochado de Miranda, traveled from Lisbon in a Puma that landed at the Monfortinho landing strip on Friday in complete darkness, with all lights out.

Waiting in the dark at Monfortinho was an FAP [Portuguese Air Force] bus. It also kept its lights off while making the trip to the site where the operational command was located.

"Night warfare" is possible only when armies have the means for conducting it, commented one officer in the Portuguese Air Force.

The FAP is equipped with the necessary means--that is, image intensifiers for night vision--and the "Jupiter-85" exercise enabled it to engage in nighttime action for the first time using its A-7 aircraft.

The purpose of the nighttime exercise was the capture of an objective, with air support, by paratroops dropped during the night. In certain situations, air support can only be provided by illuminating the battlefield.

As part of the exercise and to provide training for the personnel, an Aviocar landed on a rudimentary landing strip (called a tactical landing strip) that was illuminated by conventional oil lights.

In this exercise, the Paratroop Corps used new material and equipment consisting of laser rangefinders for measuring distances and UHF radio equipment. Used for long-distance radio links, the UHF equipment allows easy communications in good conditions over a range of about 500 kilometers--making it possible, for example, to link Braganca and Faro.

Portuguese and West German technicians and operators from the Paratroop Corps are testing electronic warfare devices that can translate messages into code using computers.

The transmitting device converts the message into a "compressed package" that is transmitted at high speed (a message whose transmission would take 5 minutes on a normal radio can be sent in 5 seconds to the receiving equipment, which then decodes it).

General Vazquez of the FAP emphasized that the air force must be prepared to remain in action for 24 hours, "since we are convinced that if there is a conflict, it will last 'around the clock,' as we say in military slang, meaning that it will continue day and night."

Paratroop Gen Francois Martins, who commands the Paratroop Corps, said the exercises were proceeding perfectly, "in good weather and with the personnel working hard." He emphasized that the objectives of the exercise were being achieved and that it had been possible to test the reaction capability of those involved, especially the coordination and control capability of the command posts.

Major Saura of the Spanish Air Force Staff emphasized the importance of the joint exercises by the two countries.

He added: "Besides the exchange of knowledge, it is a pleasure to work with the Portuguese Air Force."

He also said: "Our presence here provides greater experience for our pilots, and we therefore consider it necessary that Portugal and Spain continue their joint exercises."

Paratroopers Injured

Eleven Portuguese and Spanish paratroopers were injured--three of them seriously--when they jumped from a C-130 aircraft during a nighttime exercise in Monfortinho on Wednesday night.

Participating in the exercise were 1,500 paratroopers from Portugal and Spain. They were dropped from C-130 aircraft belonging to the air forces of both countries.

A lack of accuracy in the jumps and problems with the opening of parachutes caused injuries among some of the paratroopers.

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MILITARY

SWEDEN

DRASTIC CHANGE RECOMMENDED IN POLICY ON SUBMARINES

Stockholm DAGENS NYHETER in Swedish 12 Nov 85 p 5

[Article by Margareta Zetterstrom: "Grant Right to Sink U-Boats!"]

[Text] Confidence in the Swedish defense would increase if the military were given the right to sink submarines--not just force them to surface and identify them--when despite warnings they do not leave Swedish waters. A concrete change in the government's instructions might act as a deterrent to a foreign power, writes author Margareta Zetterstrom.

During the election campaign nearly complete silence reigned about the Swedish defense and the Swedish security policy. The voters, interested in such issues which in the deepest sense are vital to the nation and the citizens, were left at a loss. The parties kept silent in unanimous agreement and saw to it that other issues were always in the focus of the election campaign. The defense policy should, in their words, not be rendered profane by party squabbles and the mass media with their keen senses followed the signals from the party headquarters.

Not until after the election could this silence be questioned in public. On 16 September DAGENS NYHETER thus published an important article by Bo Ekman, in which he criticized the opposition for joining so docilely with the rash normalization policy vis-a-vis the Soviet Union. And on 1 November SVENSKA DAGBLADET included an editorial in which it was asserted that "unity and the absence of battle need not necessarily be something positive." If the Swedish strength of defense continues to be undermined "under the paralyzing silence of unanimity," then that silence must be broken. For, as the newspaper wrote, "what concern could be more important for the citizens to voice their opinion on than the defense of Sweden's peace and freedom?"

This election campaign silence regarding defense and security policy issues (among which I also count the boundary-marking in the Baltic Sea and the risk of an insidious gray zone solution), is in fact extremely curious both against the background of imminent defense decisions and the security policy situation in our part of the world. In the latter respect there has been no change for the better whatsoever. No calm of any sort has developed around the Swedish borders. The incursions continue. Prime Minister Palme's words in the government declarations are, unfortunately, nothing but false rhetoric.

The Swedish defense, which during the last decades has seen its striking power drastically reduced, is now in great need of increased material resources. The defense appropriations, and thus the 1987 defense decision, are naturally of particular significance, but it is not enough to discuss solely in terms of figures and money. If Sweden is to fulfill its policy of "non-alignment in peace aimed at neutrality in war," a stated defense willingness and absolute rejection of any policy of concessions are required. It is this political aspect which I would like to discuss here and which, although from a different starting-point, was recently illuminated by Captain Hans von Hofsten.

In October 1982, during a press conference after the submarine hunt in Harsfjarden, Prime Minister Palme said:

"However, I would already like to point out that the Swedish government has the possibility of ordering the military to sink a foreign submarine in Swedish waters. Whoever contemplates a violation of Swedish territory should include in his calculations that from now on the government will make use of that opportunity."

Palme later reiterated this statement in connection with the report of the Antisubmarine Commission in April 1983 and during the Social Democratic party congress in September 1984. But although the u-boat incursions in no way have ceased, and despite both the military's and the government's knowledge that Sweden would be able to protect its territory in a more effective manner than up to now, the government's instructions to the military remain unchanged.

The possibility "of ordering the military to sink a foreign submarine" still exists only in theory and in the rhetoric. The realization of this "possibility" has been postponed into the future, into that uncertain, obscure distance which is called "later on." The government's instruction to the military is still to force foreign intruders in Swedish waters to surface and to identify them. Everyone involved knows that this is an almost impossible task. This knowledge is also shared, of course, by the foreign powers who are guilty of intrusion. The unsuccessful submarine hunting in recent years are practical confirmation of this difficulty, or rather impossibility, of the task of the Swedish military forces.

On the other hand, if the military were granted the right to sink (and not, as now, only to "force up and identify") foreign submarines that despite warning do not leave Swedish interior waters, confidence in the Swedish defense would increase and the rest of the world would respect the Swedish defense willingness and defense capability in a different way than up to now. A concrete change in the government's instructions to the military would, as opposed to Palme's fuzzy "in the future," have a deterrent effect on the foreign power which is contemplating new violations. "Non-alignment in peace aimed at neutrality in war" is not a hollow-sounding solemn phrase but a line of action based upon principled behavior for the defense of the nation.

During World War II the awareness grew--even in Sweden--concerning the value of national independence and the importance of unbroken defense willingness. In 1942 an order was issued by the supreme commander to the entire Swedish defense, that in the event of an attack from outside resistance should be initiated "even if orders from above are missing." The government's famous letter of March 1943 prescribes that in the event of occupation the Swedish

authorities should not cooperate with the occupying power. In the brochure "If War Comes" that same year it was drummed into the minds of all citizens that "each announcement signifying that resistance should cease is false."

Today the situation is in many ways different. The tradition from the wartime years has become lax. The March letter has been abolished. The constitution nowadays permits assistance to a potential occupying power. Parliament is allowed to convene in an occupied region. In various public studies, for which bureau chief Muller's "Regulations for the Activity of Official Bodies During Occupation" (Ds Fo 1978:7) formed the starting point, nearly grotesque interest is shown in the occupation situation itself, while the question of resistance and defense has been pushed into the background. The same tendency is found in the new edition of "If War Comes" (1983). It is no longer the nation's freedom and the nation's survival that is in the focus. Gone are the experiences of the wartime years, and the defense information to the general public in the telephone directories now presents as the most important information that "men and women who organize a resistance movement risk their lives in taking action." It almost seems as if those in power fear the patriotism of the citizens and want to cool it in every way.

The same mistrust of the citizens is also reflected in the recent secrecy surrounding various violations of Swedish territory. When a Soviet fighter on 9 August last year violated Swedish territory, the incident was kept secret from the Swedish public. Likewise during the new intermezzo on 26 June this year. When Deputy Soviet Foreign Minister Maltsev visited Stockholm in early August the Swedish administration knew what had taken place in June. But the Swedish public was then still in complete ignorance and would surely still have been until the next quarterly report by the supreme commander, if SVENSKA DAGBLADET had not published the violation (3 Sep).

Such activities of secrecy do not belong in a democracy. "A nation should be given clear information by those who govern regarding all of its own concerns, in all issues involving its own well-being and perils." Thus wrote Wilhelm Moberg in GÖTEBORGS HANDELSTIDNING in 1943 on the occasion of the secrecy surrounding the German transit traffic. His words are equally valid today. "Tell the Swedish people the truth in all of its concerns, in all of its vital issues, and it will know that it is doing its duty."

The 1987 defense decision is of major importance. But just as important as strengthening the defense materially is clarifying Sweden's attitude--to the citizens of the country itself and to the rest of the world.

Each attack on the nation's freedom and independence is to be met with arms.

Sweden wants to defend itself, can defend itself and will defend itself.

11949

CS0: 3650/66

ECONOMIC

DENMARK

REFUSAL TO COMPROMISE BRINGS EC MEMBERSHIP INTO QUESTION

Foreign Minister Defends Position

Copenhagen BERLINGSKE TIDENDE in Danish 2 Dec 85 p 4

[Article by Kermit Norlund: "Other EC Countries near Compromise at Summit"]

[Text] At the EC foreign ministers' negotiations leading up to the EC summit, Foreign Minister Uffe Ellemann-Jensen was criticized harshly for Denmark's opposition, but there were attempts to accommodate the Danish demands.

Luxemburg--"Does Denmark want to continue being an EC member?" Foreign Minister Uffe Ellemann-Jensen was asked this question several times over the past 2 days during the foreign ministers' negotiations over changes in the Treaty of Rome. These negotiations precede the EC summit.

The other EC countries have heard about the advice from the Market Committee of parliament, indicating that the government should reject the proposed compromises that have been developed by the EC chairmanship of Luxemburg. On certain points, however, the firm rejection seems to have strengthened the Danish negotiating position.

Foreign Minister Uffe Ellemann-Jensen stressed yesterday that the other countries now truly realize where Denmark has problems with the treaty changes and where the serious problems lie. Now the other EC countries are working on changes that could accommodate the wishes of Denmark. It is clear, however, that even if Denmark's demands are met, the Danes will not support the treaty changes at the summit in Luxemburg.

Understanding

"We would have to take the results home and submit them to parliament," Foreign Minister Uffe Ellemann-Jensen said.

As one foreign diplomat expressed it, "If there is something that governments have understanding for, then it is problems with parliaments."

The required understanding among an overwhelming majority of the EC countries

on the primary points of an EC reform began to take shape yesterday. Primarily, the countries want to break down barriers among EC countries and begin to work seriously toward a large internal market. Ellemann-Jensen said on Sunday that the proposals in this area have the support of about 11 countries. This means nine other EC countries, in addition to Spain and Portugal, which will become members at the beginning of the new year.

According to the proposal on the internal market, the decision-making process would be changed so that, on many questions, only a prescribed majority would be needed, instead of unanimity.

Great Britain and Ireland have had certain problems with the free admission of all people and with plant imports, but yesterday all indications were that these two countries could reach a special arrangement.

Denmark was the only country that was completely against making decisions by a majority vote. Denmark also demanded an absolute guarantee that Danish legislation on the environment and the workplace would not be undermined and that Denmark could implement tougher regulations than the other EC countries. Trade considerations must not go before environmental considerations, according to Denmark. Several countries believe, however, that such exceptions are against the very concept of establishing an internal market.

The majority of the countries favor giving the European parliament greater authority, according to the proposals that are now on the table. Denmark rejects this idea outright and Italy is skeptical, since the proposals are "so modest that they are an insult to the parliament."

Foreign Policy

The other countries also seem to agree on the need for a new treaty on foreign policy cooperation. Denmark demands a special declaration to indicate that the treaty will not affect our Nordic political cooperation. Denmark also wants the political cooperation to be "open" to the rest of Europe, through associative agreements.

EC Commissioner Argues Benefits

Copenhagen BERLINGSKE TIDENDE in Danish 3 Dec 85 Sec III, p 9

[Article by Thorkild Dahl: "Large EC Market Strengthens Denmark"]

[Text] Finance Minister Palle Simonsen supports the greatest possible liberalization of internal EC trade, but this must not destroy the economy of individual countries.

Denmark has a real and particular interest in creating a large, internal EC market. It would strengthen Denmark both at home and abroad.

This was stated by the EC commissioner for the internal EC market, Lord Cockfield, in his opening speech at a conference held yesterday at Christiansborg on a "Europe without trade barriers." Lord Cockfield said that Denmark, as a highly developed country that is extremely dependent on exports, would profit greatly if trade barriers among countries were eliminated.

The conference was arranged by the Conservative Party's parliamentary group and the Conservative members of the EC parliament. It was held at the same time that the EC heads of state began a summit meeting in Luxemburg on the future of Europe.

Prime Minister Poul Schluter (Conservative) was advised by the Social Democrats to reject proposals made at the summit, including a proposal that would expand the internal market through a change in the treaty.

In his speech Finance Minister Palle Simonsen (Conservative), who also is acting prime minister, foreign minister, and defense minister, distanced himself from the present negotiations in Luxemburg, but said that Denmark should support the continuing effort to eliminate trade barriers.

The finance minister said that sales tax and excise taxes were considered to be trade barriers by some EC countries, but that Denmark could not go as far as the EC Commission wants in standardizing these taxes.

"For Denmark, this would mean that the budget deficit would triple. This would be such a major step that a responsible government would find it impossible," Palle Simonsen said. He added that the demands of the EC Commission went against the policies of the coalition government.

The director of the Brewers' Association, Poul Anthonsen, said it would be devastating to the EC if the various systems of fees were not made more similar. The result would be an increased border trade, he said.

"Liberalization in one area, namely in the beer trade, has meant that one tenth of the country's beer sales occur across national boundaries, since beer can be purchased at half price in other countries," Poul Anthosen said.

The Conservative Party spokesman on market policy, Kent Kirk, said that in the long run the taxes would even out, but that consideration must be given to the economies of the individual countries. For this reason, he called on the EC Commission to make a new proposal.

EC commissioner Lord Cockfield wondered why people believe that the EC could introduce free trade across national boundaries without adjusting taxes.

"The taxes need not be uniform, but they should be closer," Lord Cockfield said. He added that if the boundaries were opened now, within a few weeks the hectic border trade would force governments to adjust taxes and make them closer, as a result of free market forces.

ECONOMIC

FEDERAL REPUBLIC OF GERMANY

COOPERATION WITH IMF, WORLD BANK PLANNED TO AID THIRD WORLD

Munich SUEDEDEUTSCHE ZEITUNG in German 24 Sep 85 p 23

[Article by os: "Bonn Wants to Help Developing Countries - Through Closer Cooperation with Monetary Funds and World Bank"]

[Text] (Own Report) - The Federal Republic is going to intensify its cooperation with the International Monetary Fund (IMF) and the World Bank. This was the statement made by Treasury Secretary Gerhard Stoltenberg with a view toward the annual meeting of the two institutions, which shall take place from October 8th to 11th in the South Korean capital of Seoul. Central themes would be the continuation of a successful policy of stability, the fight against protectionism and renewed efforts to keep a grasp on the debt problems. The subject of refinancing over several years will have increased significance.

In Seoul, it would have to be made clear that the industrialized nations are determined to not only help the developing countries in overcoming their present difficulties, but also in developing their great economic potential. Despite all the contestations, the IMF and World Bank would have to remain the forums for dialogue and collaboration. In the area of highly indebted developing nations, particularly in Latin America, difficult problems have not been resolved yet. One of the risks is that growth in the developing nations this year will go down to 3.5 percent after having been 4.4 percent last year.

"Much in Agreement"

Among the member nations of the IMF there exists a high degree of agreement in the area of economic policy [so Mr Stoltenberg]. The task at hand is to create, through price stability, sound national finances, elimination of obstacles or open markets, respectively, the basis for a sustained growth process. The central responsibility in the United States is the reduction of the enormous deficit in the federal budget, estimated to be 210 billion dollars for 1985. Japan, on the other hand, should even further open the market for foreign products and also liberalize the financial markets.

In addition, the agenda of the annual meeting includes the following: A special credit program of the IMF, the so-called enlarged access. The Federal

Government is in favor of extending the program for another year, yet of examining--that is to say lowering--the upper credit limits. Stoltenberg fails to see the deficiency in monetary reserves the developing countries claim to have. Therefore it was unnecessary to distribute more "artificial money" (special drawing rights), (SDR). After all, there is the matter of using 2.7 billion SDR of credit reflux from the so-called trust fund that has been dissolved. From a German perspective, the money should benefit the poorest among the poor nations.

Economic Cooperation Minister Juergen Warnke welcomed the recently improved collaboration between IMF and World Bank and thought that the capital of the World Bank was sufficient at this time. However, on a medium-range, a capital increase between 40 and 60 billion dollars would be necessary. Preparations to this effect are to be started in Seoul. As to the International Development Association IDA, an 8th capital appreciation should be discussed soon. For the remainder, the Federal Government is the leader worldwide with a forgiveness of debt in excess of DM 4 billion toward the poorest countries. Bonn plans to subsidize with DM 300 million the fund for the nations south of the Sahara Desert during the years until 1987. The attitude toward the Investment Guarantee Association MIGA remains reserved. A lasting improvement of the investment climate could only be achieved if the respective countries themselves would guarantee sufficient and legally binding investment protection. The present draft regarding MIGA does not yet comply with these conditions. Bonn therefore abstained from voting on the board of directors of the World Bank.

On the eve of the annual meeting of IMF and World Bank in Seoul, the executive committee (interim committee) of the Fund will convene to attend an extensive agenda. Following a discussion of the world economic situation, the subject will be Special Drawing Rights (SDR, a type of "artificial money") which have not been allotted since 1981. As every year, those in the group of the 24 represented developing nations will again demand new special drawing rights in excess of 15 billion SDR, but probably again in vain.

Use Still Undecided

Another point of discussion is a special credit program of the Monetary Fund ("enlarged access") which is to be decreased proportionately to the appreciation of the capital shares (quotas) of the member nations, allowing them improved access to credits in this manner. The special program has to be extended, or else it will expire by the end of 1985. The FRG is likely to vote for an extension with simultaneous continued decrease. Beyond that, a binding agreement has to be reached regarding the balance of the money of the so-called trust fund. Years ago, the latter was being supplied from those profits which the Monetary Fund realized from the sale of gold. In the meantime, the trust fund has been dissolved; 2.6 billion SDR are still outstanding. These shall be assigned to an "Account for Special Use" until the final application has been determined. And finally, the interim committee will present two reports on the world monetary system: one from the industrialized, and one from the developing nations.

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ECONOMIC

FEDERAL REPUBLIC OF GERMANY

IFO INSTITUTE DENIES THAT AID TO SMALL FIRMS INCREASES EMPLOYMENT

Bonn GENERAL-ANZEIGER in German 8 Oct 85 p 17

[Article by Reuter: "Ifo: Small Firms Do Not Have a Key Function. Experts Contradict Opinion held by Federal Government"]

[Text] The Munich Ifo-Institute for Economic Research has contradicted the opinion held by the Federal Government that small and medium-sized companies would be able to assume, through special capital expenditure promotion, a key role in the fight against unemployment.

A study by the Ifo-Institute published yesterday alleges that small and medium-sized firms to begin with have even greater self-financing options in relationship to their respective sales than large businesses.

However, the owners of the small and medium-sized businesses obviously preferred financial investments and private withdrawals as opposed to capital expenditures for expansion and modernization of their companies, the Ifo-study states. In addition, the smaller firms less frequently invested in expansion and more often in replacements than larger businesses. Their capital expenditures definitely occurred more irregularly than those of large enterprises. There does not exist, therefore, any evidence that smaller companies are particularly investment-happy, nor an indication of financial disadvantage which would have to be compensated for by subsidies.

The evaluation of reports from 956 industrial companies, who continuously participated in the Ifo-investment test from 1965 to 1981, had shown decreasing significance of expansion spending with decreasing size of the operation, the Ifo-experts observed. Since capital spending for expansions as a rule requires higher expenditures than other investment goals, there also resulted from this a higher quota of the respective sales than in the case of capital spending for replacements. For this reason as well, the investment quota were likely to be lower for smaller firms.

As a main obstacle for intensified capital expenditure on the part of businesses--from whom a solution to the employment problems is expected to come--it is the difficult financing situation, especially of smaller firms, which is repeatedly being cited and which in turn is being attributed to the poor profit

situation, so the Ifo-report. Therefore, the so-called cashflow before taxes (depreciations plus net income for the year) was examined, i.e. the financing potential as a function of company size. Relative to sales, firms with 20 to 49 employees show the highest value with 6.5 percent, and the lowest with 3.8 percent is evidenced by companies with over 1,000 employees.

Even if one would reduce the cashflow of smaller businesses by deducting "management wages" for the active owner, which correspond to three times the average income of an employee including social security expenses, a margin of financing that is more narrow by comparison for smaller companies is not detectable, says the Ifo-study.

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ECONOMIC

FINLAND

BRIEFS

NEW CREDIT SYSTEM FOR EASTERN TRADE -- Ambassador V. M. Sobolev proposes a new credit system for the trade between Finland and the Soviet Union. In an interview published on Sunday in the newspaper KESKISUOMALAINEN, Ambassador Sobolev considers that essential growth of trade between the two countries will be generated by the cooperative construction of large industrial complexes in Finland and the Soviet Union. "But before large industrial plants are to be constructed in the Soviet Union, and above all, on a compensation foundation, the credit question has to be solved," said Sobolev. The ambassador considers the balance of exports and imports to remain for the next few years as the basic policy for the trade between the two countries. At the same time a payment system could also be developed on the basis of compensation trade so that a part of the approved credit would be paid by the industrial products of the enterprises built in the Soviet Union. Ambassador Sobolev tells us that the main focus of the next 5-year plan in the Soviet Union is placed on the renovation and modernization of industrial plants. In his opinion Finnish firms should closely study the possibilities of participating in the projects. The work could be organized through the task forces of an economic cooperative work commission. [Text] [Helsinki HELSINGIN SANOMAT in Finnish 2 Dec 85 p 28] 12989/13068

NESTE TO BUILD IN SAUDI ARABIA -- Saudi Arabia has decided to participate in an enterprise of the Neste Co and the Italian Enichem Polymer Co to build a factory for the manufacture of a gasoline additive to replace lead at the Jubail oil port on the Persian Gulf. The Saudi Arabian oil company SA-BJC owns 70 percent of the new petrochemical company; Neste Co, Enichem and a Saudi Arabian investment company, APICORP, each own 10 percent. The entire capital stock of the company is \$300 million. The factory will be built by the Italians and it is estimated to be completed by 1988, at which time it would begin to produce annually a half million tons of a substance called methyl-tertiary-butyl-ether. It replaces air polluting lead, which, up to now, we have had to add to gasoline in order to achieve the high compression consistency required by modern combustion engines. The markets for the new additive are in Europe, where EC decided last spring to begin moving over to the use of unleaded gasoline in phases beginning in 1989. According to the experts, the lead in the gasoline is at least in part a cause of environmental damage, for example the destruction of central European forests. In Finland the Ministry of the Environment is preparing additional pollution controlling directives for both cars and gasoline. [Text] [Helsinki HELSINGIN SANOMAT in Finnish 2 Dec 85 p 28] 12989/13068

ECONOMIC

NORWAY

STEEL EXPORTS BOOSTED BY NEW EC LIBERALIZATION POLICY

Oslo AFTENPOSTEN in Norwegian 12 Dec 85 p 49

[Article by Elisabeth Holte: "EC's New Steel Policy Favorable for Norwegian Export"]

[Text] Brussels, 11 December. The new liberalization of the EC steel policy starting the first of the year will probably mean that those engaged in the steel trade between Norway and the EC will go back to the free trade agreement system of price adjustment. That means that Norwegian producers, in competition with EC producers, can if necessary go down to the lowest prices quoted by EC producers.

This development, positive from the Norwegian viewpoint, became apparent during the first clarifying meeting in Brussels recently about next year's exchange of letters on steel.

The Norwegians consider it a very favorable development that they will thereby take part in the liberalization which will take place as a result of the new EC steel policy which was approved in June of this year.

Fall in Prices

There remains, however, a large number of questions which the Norwegian side must now look into more closely. The EC will take measures to prevent a drastic fall in prices, but the big question is whether price discipline will hold within the EC when the steel market continues to be so weak.

As for maintaining the traditional trade patterns for steel, the commission is going in for greater flexibility than before. One form of development guarantee makes export and import more dependent on each other. If it goes well in one direction, then there can be a willingness for greater conciliation in the other direction. There are also several difficult technical aspects in the "package" which Norwegians must consider.

The head of the Norwegian negotiating team is Ivar Stugu of the Ministry of Trade, and the next meeting will take place in the middle of January.

It was in March 1978 that the first exchange of letters took place to regulate the steel trade between Norway and the EC in the difficult market situation which existed for a number of years. The basis for the exchange of letters was that Norway should retain its market share while respecting the minimum prices for importing steel into the EC area.

Since 1978 it has been renewed each year, usually after lengthy negotiations. During these years Norway has strongly disagreed that this exchange of quota letters is necessary, because such a special arrangement is a breach of the free trade principles which apply to industrial products traded between EC and EFTA. The issue was discussed at the meeting in Oslo on 30 May this year between EC commissioner Willy de Clercq and Norwegian authorities.

Last year Norway exported a total of 50,000 tons of armor steel and steel beams to the EC area, mostly to West Germany. Norway finds the quota arrangement all the more unjust because the West Germans themselves export large amounts of steel to Norway, which is a net importer of steel because of the development of the offshore industry.

Ironworks

It is especially Norsk Jernverk which is disturbed by the quota arrangement, as the quota is less than Jernverket planned for in its structural plan, but they have managed to compensate for that through sales to other markets, in which they have incurred certain complaints for dumping.

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ECONOMIC

PORTUGAL

GOVERNMENT PROPOSES PARTIAL RENEGOTIATION OF FOREIGN DEBT

Lisbon DIARIO DE NOTICIAS in Portuguese 6 Nov 85 p 3

[Text] Our country plans to refinance a part of the foreign debt it has contracted with international banks, with a view to obtaining better interest conditions.

This information was obtained from the NOTICIAS DE PORTUGAL agency in London, and this intention on the part of the Portuguese state was confirmed in Lisbon.

The renegotiation will pertain to two loans contracted in 1983, totaling \$650 million and, it is expected, will be arranged within the coming months, probably before the end of the year, according to the REVISTA FINANCEIRA INTERNACIONAL, which NOTICIAS DE PORTUGAL also quoted.

According to this same publication, which specializes in financial matters, Portugal would even be prepared to make payments in advance or partially pay off those loans if the European markets were to prove reluctant to grant new credit for the payment of the \$650 million loan.

Improvement in the economic situation of Portugal and, in particular, the amount of foreign exchange reserves, would be the reasons underlying this decision by our national monetary authorities.

A source at the Bank of Portugal, also quoted by the news agency, stressed that although it is not an accomplished fact, the intention to make payment in advance on old loans does indeed exist, given the current level of reserves available to the central bank. This same source did not, however, confirm which loans might be refinanced, nor was any time period for the renegotiation of the debt mentioned.

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CSO: 3542/22

ECONOMIC

PORTUGAL

EUROPEAN INVESTMENT BANK APPROVES 6 MILLION CONTOS IN LOANS

Lisbon TEMPO in Portuguese 1 Nov 85 p 17

[Article by Alvaro de Mendonca]

[Text] The European Investment Bank (EIB) will provide 6 million contos in financing for industrial and energy projects in our country during the balance of this year. This announcement was made by Rex Speller, EIB Portuguese Operations Division director. These will be the last funds we will receive under the agreements covering the period prior to membership in the EEC, since as of 1 January, we will be a member with full rights in the EEC, enjoying the same privileges of access to EIB financing as the countries which are presently members.

One of the immediate advantages will be the elimination of the credit limit established by the EIB. In fact, the 53 million contos we have received in these past 10 years were allocated to us on the basis of agreements we signed with the EEC, wherein a maximum amount to be allocated was always stipulated.

Beginning in January, the EIB will not be able to impose any "ceiling" on the credit granted to our country. On the other hand, Portugal will become a stockholder in the EIB, with all the positive and negative effects thereof.

Obviously, the volume of financing to be allocated by the EIB will depend on the quality of the Portuguese projects proposed and their importance to the development of the country.

The fact that Portugal can be classified as an area with the highest priority for development (excluding Lisbon) may considerably increase the financing we will receive. By way of example, the above-mentioned EIB official recalled that about two-thirds of the bank loans since 1958 have gone to Community regions where the development problems were most serious--the southern part of Italy, Ireland, Greece, Scotland and the western and southwestern parts of France.

The fact that the EIB will only finance half of the project costs means that the success or failure of our entry in the EEC will depend on how we utilize the Community funds. Without Portuguese funds, there are none from Europe. If we want to place our bets on industrial development, an increase in our

independence with regard to energy or the modernization of our agricultural sector, we must finance at least half of the needed investments. Then the EIB will contribute to cover the balance of the cost.

Given the current economic situation of the country, trailing the European Community and lacking resources to rise above the crisis, the European officials are not excluding the possibility of combining the various means of obtaining financial resources to be made available to us by the EEC in a single project.

There is nothing to prevent us from having simultaneous recourse, for the building of a given infrastructure, to the FEDER, for example, and to EIB financing. In such cases, the European funds might even exceed 50 percent of the cost total. What is not allowed is for the EIB alone to provide more than this percentage.

This possibility of combining Community financial funds represents a more open approach by the Community to our country, in a way. Its only justification can be found in the present economic situation of Portugal, which has one of the highest inflation rates on the European continent, gross national product growth below the average levels for the EEC, and social conditions which are very different from those elsewhere in Europe. But the impact of EIB intervention in Portugal will also have a significant effect on the banking system. The EIB distributes a part of its financing to the credit institutions in its member countries, which then distribute them for the projects of the small and average enterprises competing for the funds.

It is a question here of a kind of extension of financial participation, in which the Portuguese banks will serve as the channel linking the European Bank (the main function of which is the direct financing of large industrial and energy projects) and small and average enterprises. Locapor and the no longer extant SPI are two of the enterprises which have already benefitted from the EIB distribution policy. This was, moreover, the subject taken up at the seminar by John VanSchill, of the Treasury Department of the European Bank.

The prospects are good and it appears that the projects are excellent too.

Antonio Marta, the president of the European Integration Commission, even went so far as to warn of the need to revise the community budget which, currently, cannot meet the Portuguese demands.

Moreover, Antonio Marta himself admitted that the benefits of membership will be much greater for Portugal than for the EEC itself. However, when asked what this profitability achieved through membership by our country would be in economic terms, this official evaded the issue and spoke instead of political advantages ("a Europe handicapped on its southern flank would make no sense").

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CSO: 3542/27

ECONOMIC

PORTUGAL

ARAB LEAGUE DELEGATION SEEKS BUSINESS CONTACTS

Lisbon TEMPO in Portuguese 1 Nov 85 p 17

[Excerpts] A delegation representing the member nations of the Arab League arrived in our country this week. The reason for the trip is the annual meeting of the Arab-Portuguese Chamber of Commerce and Industry, and the election of the new president of the board of directors of that organization, Alexandre Vaz Pinto.

Some of the leaders included in the delegation took advantage of the trip to make contact with businessmen in the textile and equipment goods branches in the northern part of the country.

These categories constitute one of the larger parts of the very limited Portuguese exports to the Arab world. Also worth mention, for their part, are wood, paper, electrical equipment and food, chemical and pharmaceutical products. It is not unlikely that in this sector too, important contacts between Portugal and the Arab nations have been made.

More ambitious proposals may be made in the future. We refer to the establishment of joint venture companies, agreements for the transfer of technology and exchange in the vocational training sector.

Insofar as we could learn, it is in these cooperation sectors that the Arab proposals have already been studied and made specific. If they are accepted, many doors will certainly be opened for the entry of Portuguese products into the Arab world.

The same source informed us further that "the Arab proposals include some rather interesting projects having to do with complementing our domestic products."

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ECONOMIC

PORTUGAL

SAVINGS INCREASE SUBSTANTIALY; CITIZENS FAVOR INVESTMENT

Lisbon DIARIO DE NOTICIAS in Portuguese 1 Nov 85 p 14

[Excerpts] Savings by private individuals in the Portuguese banking system as a whole almost doubled between 1981 and 1984, showing an increase of about 27 percent last year. Private individuals account for a largest part, by far, of the domestic savings total, which increased from about 350 million contos in 1981 to nearly 562 million last year, sources at the General Deposits Fund and the General Mutual Insurance Fund said.

In terms of value, the savings of private individuals increased from 407.5 million contos in 1981 to 731.3 million contos last year, while state savings, through the public administrative sector, declined by 63.7 million to 203.7 million contos during the same period.

The savings of private businesses, although positive, represented a small portion of domestic savings last year. The total came to 6.1 million contos in 1981, with a decline in 1983 (down 21.9 million contos), and a total of 35.3 million contos for last year.

The average rate of savings was 19 percent of the gross domestic product last year, excluding the total for emigrants' foreign remittances, an amount equivalent to that seen in the majority of the OECD [Organization for Economic Cooperation and Development] countries.

Statistically, no figures are available on how the savings of private individuals on deposit in banking institutions are distributed by age brackets.

According to the information provided by the General Deposits Fund, the number of deposit accounts came to about 10 million in 1984, representing an average of 1.7 contos per individual in the active population.

In 1984, about 21 percent of the total deposits were held by the General Deposits Fund, basically representing small and average savings and, together with the General Mutual Insurance Fund, accounting for about 90 percent of such savings.

Term deposits in the General Deposits Fund have developed at a rapid rate this year, already showing an increase in terms of value of more than 221 million contos over last year.

Houses and Land

Despite the increase in the number of bank deposits, the overwhelming majority of the Portuguese citizens who decide to postpone their savings believe it is "safer to put them into the purchase of houses and land," according to a poll recently published.

The poll taken by the Marktest enterprise in 16 Portuguese localities among more than 1,000 inhabitants showed that 67 percent regard the purchase of houses and land as "more advantageous," while 46 percent regard term deposits as better.

According to this same poll, 49 percent of the citizens of Portugal regard the purchase of jewelry as "safer," 41 percent opt for term deposits, 38 percent for the purchase of foreign currency, 26 percent for the purchase of household equipment, 19 percent for investment in life insurance, 16 percent for stocks and bonds and 8 percent for public debt certificates.

Of those interviewed, 2 percent had not put their savings in any of these available alternatives, preferring to keep their funds at home.

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ECONOMIC

PORTUGAL

BRIEFS

UNEMPLOYMENT FIGURES--The number of Portuguese families affected by unemployment increased from 13.4 percent in the second quarter of 1983 to 14.2 percent in the last quarter of last year, the employment study made by the National Statistics Institute indicates. Thus the unemployed population has increased by 11.03 percent in 18 months, with the secondary sector being most seriously affected by the decline in employment, with special impact on the civil construction and public works sectors. [Text] [Lisbon EXPRESSO in Portuguese 1 Nov 85 p 1] 5157

CSO: 3542/27

ECONOMIC

SWEDEN

ECONOMIC INSTITUTE PREDICTS DOWNWARD TREND FOR 1986

Stockholm VECKANS AFFARER in Swedish 21 Nov 85 p 55

[Article by Gabriel Thulin and Par Elfvingsson: "No Crisis Next Year, But Look Out for 1987"]

[Text] Sweden may have the worst economic trend among the industrialized countries in 1986, according to the Market Research Institute, the OECD, and others. Nevertheless, growth next year will probably be greater than many have predicted. There is reason to worry about 1987, however, when growth in Western Europe may slow down.

The economic optimists are beginning to flourish in Europe, but the prospects here in Sweden are not so bright. According to the barometer of the Market Research Institute (KI), the industrial economy took a downward turn at the beginning of this year. The VECKANS AFFARER (VA) index points to a continued downward trend, but at a moderate rate during the first half of next year.

The downward turn does not necessarily mean an end to growth, but simply that it will go more slowly. In 1984 the gross national product (GNP) increased by 3 percent and growth this year is expected to be just about as rapid. The predictions for 1986 are less optimistic, however. In October KI published its fall prediction, which indicated an anticipated 0.4-percent growth rate next year. The OECD office is reported to be working with similar figures, which means that Sweden may be at the bottom of the list of major industrial countries. These predictions have frightened both LO (Federation of Trade Unions) and TCO (Central Organization of Salaried Employees), which are now calling for measures to stimulate the economy.

The KI prediction for growth in 1986 is actually even bleaker than the 0.4-percent figure would seem to indicate. Contract negotiations will involve a carryover that will be determined by comparing December wages with the average for this past year. A similar carryover will affect the GNP. During the first half of 1985 the GNP increased by 1.3 percent over the second half of 1984, seasonally adjusted. KI estimates that there was an additional 1.6-percent increase in the GNP during the second half of the year. In order for the KI prediction of a 0.4-percent increase from 1985 to 1986 to be true, activity in 1986 must be 0.4 percent lower than the level during the second half of 1985.

Finance Minister Kjell-Olof Feldt has rejected the KI prediction, calling it overly pessimistic. It will be interesting to see what the Finance Ministry chooses to predict in the preliminary national budget, which will be published in the budget proposal 2 months from now. Perhaps the Finance Ministry's figure will be between the two alternatives presented by LO just over 1 week ago. LO estimates that, if economic policies remain unchanged, the GNP will increase by 1.2 percent. If investments are stimulated by reduced interest rates, the elimination of restraints on investment funds, and other measures, then LO economists believe that a 2.1-percent increase in the GNP would be possible.

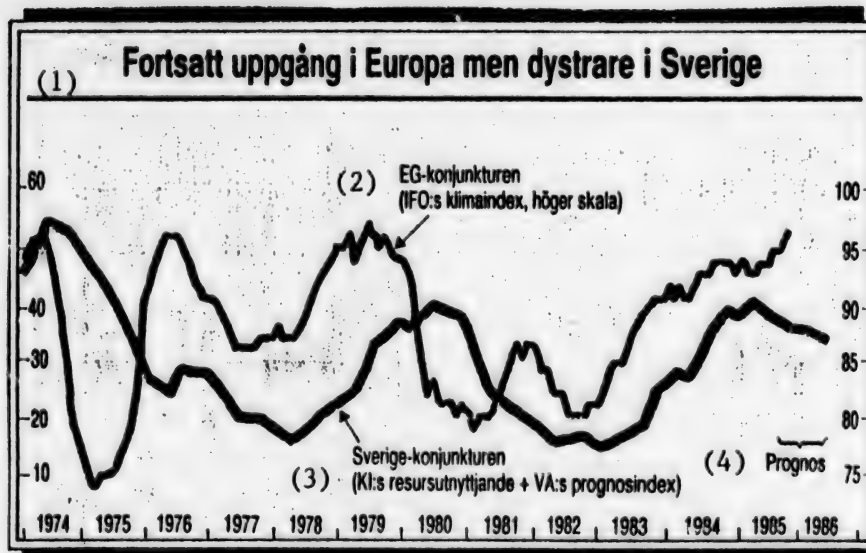
The demand factor that is holding down the predicted figure for next year is investments. In this area, KI predicts a 9-percent drop between the second half of this year and the second half of next year. KI believes that there will be a 6.4-percent drop between the two years. That is pessimistic, to be sure.

The utilization of capacity is at a peak in many industries and the profitability and future prospects of export companies, in particular, remain good. A falling rate of inflation should also provide room for limited reductions in interest rates.

Wage negotiations next year will be of decisive significance, through their influence on both the competitive strength of Swedish companies and the incomes and purchasing power of households. Wages increased by over 9 percent, on the average, in both 1984 and 1985. Wage increases will hardly be less than 6 percent in 1986, even though employers have shown an extremely low profile. In many areas, increases have already been assured by significant carryovers from this year. At the same time, the inflation rate has slowed down considerably. Even at the beginning of next year, the Swedish inflation rate may be below 5 percent. Consequently, disposable incomes may increase by about 1.5 percent next year, thereby providing room for increased consumption.

KI also seems to be painting a bleak international picture. The wheels are rolling faster and faster in our immediate vicinity. The optimists in West Germany and in other European countries are much stronger today than they were last summer. And since the German mark has been strengthened by the drop of the dollar, the competitive strength of Swedish industry may improve. Strong growth in our neighboring Nordic countries will also help stimulate exports.

As a result, growth in the Swedish economy could be much higher than estimated by KI. On the other hand, there is much more reason to be concerned about 1987, when growth in Western Europe could slow down. Thus, the crisis awareness and the arsenal of countermeasures should be calculated to take effect during 1987 rather than at the beginning of next year.



The EC-Climate chart shows how industrial orders and production plans have developed in the 10 EC countries.

Key:

1. Continued upswing in Europe, but worse in Sweden
2. EC economy (IFO index, scale to the right)
3. Swedish economy (KI's resource utilization + VA predictions)
4. Predicted

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ECONOMIC

TURKEY

NO OIL EXPLORATION IN DISPUTED AEGEAN WATERS

Istanbul CUMHURIYET in Turkish 27 Nov 85 pp 1, 10

[Text] Ankara (CUMHURIYET BUREAU) - Following Minister of State Kazim Oksay's statement 2 days ago that Turkey "will explore for oil everywhere it has the right" in the Aegean, the Ministry of Foreign Affairs let it be known yesterday that "places where it has the right" must be understood as "territorial waters." The Foreign Ministry stressed that Turkey "observes" the Bern agreement prohibiting seismic research in the disputed waters of the Aegean and stated that there was no question of exploring for oil in disputed waters.

This announcement was made by Foreign Ministry spokesman Yalim Eralp in response to reporters' questions during yesterday's regular press briefing. The spokesman said, "The minister said we will explore for oil in the places where we have the right in the Aegean. This is extremely clear. Our territorial waters are a part of the Aegean, are they not?"

A reporter asked, "Then do you understand by the minister's comments that exploration will take place only in the territorial waters?" The spokesman replied, "That was certainly his meaning." In response to another question, Yalim Eralp stressed that Turkey observes the Bern agreement.

As will be recalled, Turkey and Greece signed the Bern agreement in 1976 after oil exploration in the disputed waters of the Aegean in 1975-1976 brought the two countries to the brink of hot conflict. Under this agreement, the two countries agreed not to conduct seismic research in the disputed waters until the boundaries of the continental shelf in the Aegean were defined.

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ENERGY

EUROPEAN AFFAIRS

STATOIL CONSIDERS NEW PIPELINE TO WESTERN EUROPE

Oslo AFTENPOSTEN in Norwegian 12 Dec 85 p 3

[Article by Morten Woldsdal: "Statoil Evaluating New Pipeline from Troll to the Continent"]

[Text] AFTENPOSTEN has learned that Statoil is evaluating laying a new gas pipeline from the Troll field in the North Sea to West Europe. The company is concerned about the sinking at Ekofisk, and Statoil is skeptical about shipping the large gas deliveries from Troll to customers on the continent via that field. A new pipeline to West Europe will cost several billion kroner.

Because of the problems of sinking at Ekofisk Statoil is now studying a number of possibilities for alternative gas transport to the continent. The Statpipe pipeline from Statfjord, Gullfaks and Heimdal fields now goes into the Norpipe system to Emden in West Germany. There is also an oil pipeline from Ekofisk to Teeside in Great Britain. Nobody knows at the present time what problems the sinking at Ekofisk will cause for these pipeline systems in the future.

There are many indications that Statoil is not taking any chances. AFTENPOSTEN has reason to believe that a new pipeline from Troll to West Europe is perhaps the most likely solution. However they are also considering laying a new pipeline as a loop around Ekofisk and back into the Norpipe system again. Other alternatives are also being considered. Troll will come into production in about 1995.

The Ekofisk field continues to sink at a rate of almost one-half meter per year, despite Phillips Petroleum having begun last August to pump gas into the reservoir to keep the pressure up. The company expects that it will take time, however, for the effect of the gas injection to be fully felt so that the sinking will be reduced. So far certain of the platforms on Ekofisk have sunk by nearly 3 meters.

Reduced Gas Export

Gas deliveries from Ekofisk to the continent have been reduced by 25 percent for a period of 2 years while the gas injection into the reservoir is taking place. In April of next year the owners of the field will negotiate with gas purchasers in West Europe about the size of future deliveries from the field.

Before that time the oil companies must decide how they are going to solve the problems of Ekofisk for both the short and long term. Both the Norwegian authorities and individual shareholders fear that Norway can lose valuable gas market shares in West Europe permanently if it is necessary to continue the reduced gas deliveries beyond the 2-year period. Gas customers in West Europe will then have to ensure deliveries from other sources, and in such a situation it could be very difficult for Norway to recapture its share of the market. Furthermore, less gas to West Europe means less money to our national treasury.

Irritation at Phillips

In the Ministry of Oil and Energy there is strong irritation at the opposition of Phillips Petroleum to expanding and buying gas from the Tommeliten field just southwest of Ekofisk. The ministry wants Tommeliten gas to be pumped down in the Ekofisk reservoir, so that future gas deliveries to the continent will not have to be reduced. Until the Tommeliten field comes into production Phillips could borrow gas from Statfjord, Gullfaks and Heimdal. This gas could later be returned in the form of Tommeliten gas.

Phillips--which is also a shareholder in Tommeliten--has long been opposed both to expanding this field and to buying Tommeliten gas for pumping into Ekofisk. Statoil has had seemingly endless negotiations with the American oil company without reaching a solution. Minister of Oil and Energy Kare Kristiansen will meet today with representatives of Phillips top leadership in the United States. The Tommeliten issue is expected to be prominent at this meeting.

Tommeliten Profitable

At the ministry they do not see the development of Tommeliten as any great problem. The field is estimated to be clearly profitable to develop, and Statoil can eventually undertake the job alone if the other shareholders do not want to go along. But the authorities see Phillips attitude toward the purchase of gas from Tommeliten as more worrisome.

In the longer term a number of possible measures are being considered to counteract the effect of the reduced distance from the surface of the sea to the platforms at Ekofisk. Phillips has already begun an improvement program for the platforms costing over a billion kroner. If the sinking continues, new measures can be undertaken--including jacking up the platforms several meters.

Wave Dampers

Norsk Hydro--which is one of the owners of Ekofisk--is considering several possibilities for building up the ocean floor around the platforms so that large waves will be dampened. If the sinking continues at the same rate as now the waves will be a serious security risk at Ekofisk in one or two years. The time to act is therefore short.

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